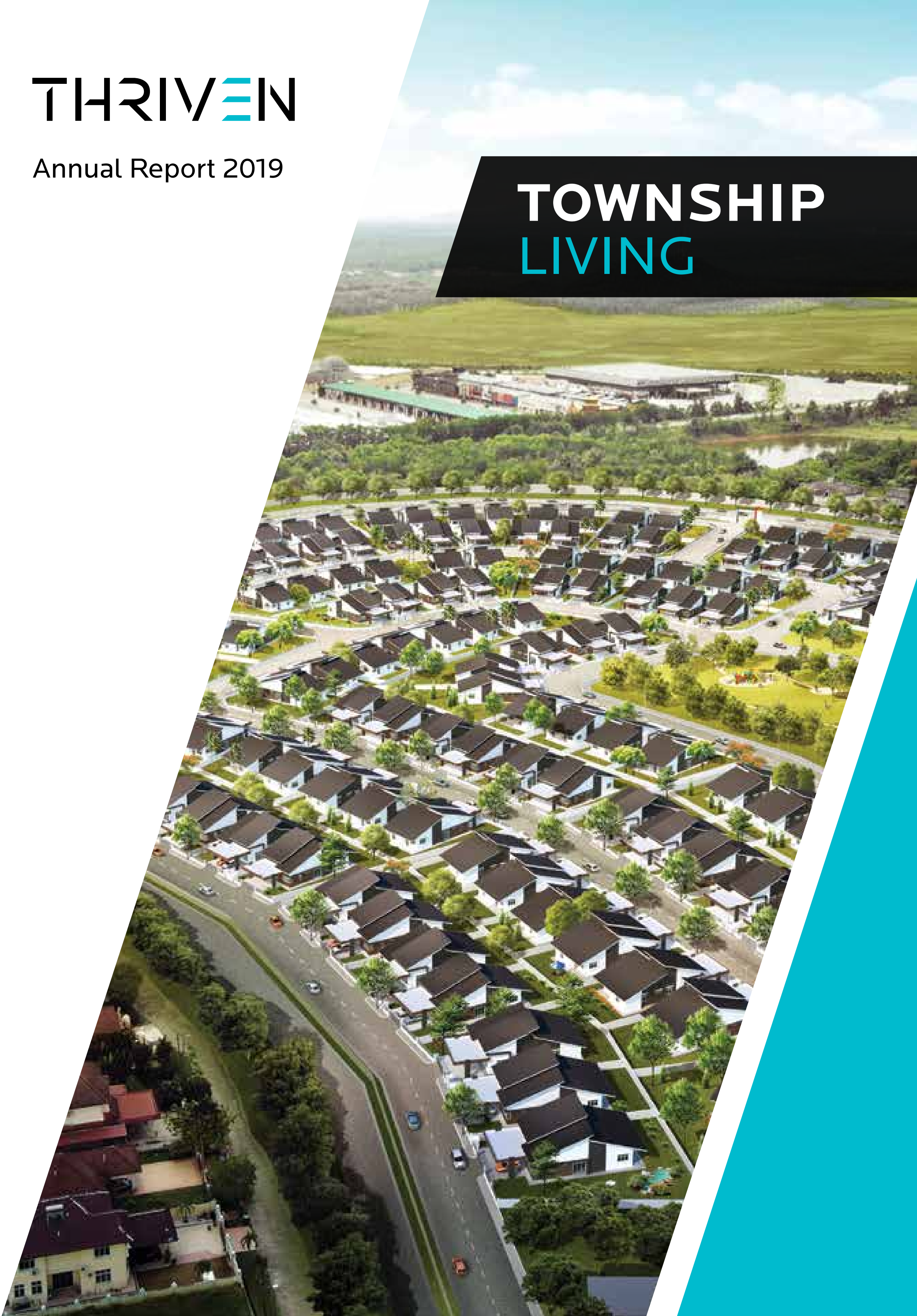
THRIVEN

Annual Report 2019

TOWNSHIP LIVING

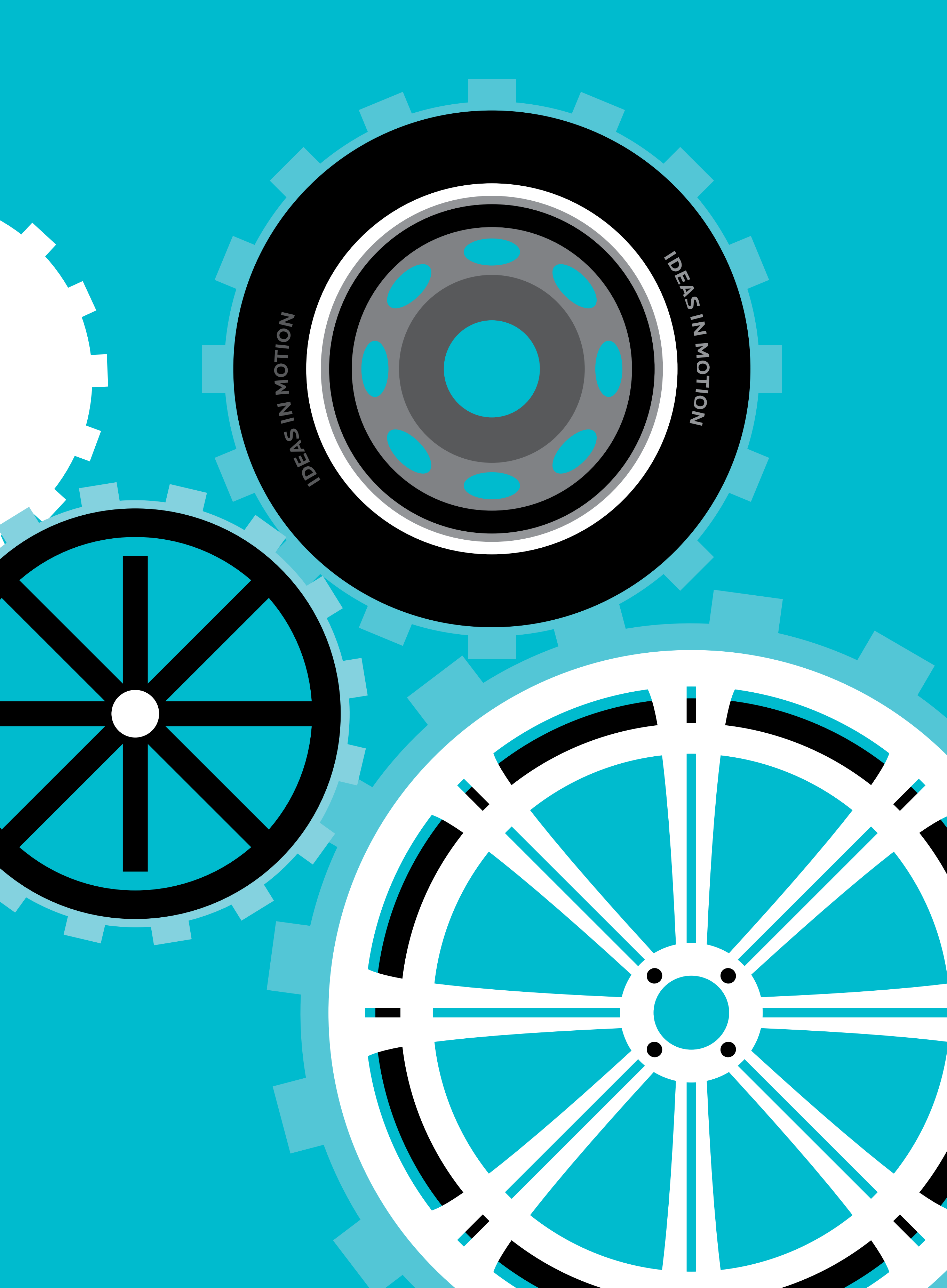


Located about 3 kilometres from Proton City and Universiti Pendidikan Sultan Idris, the single storey terrace houses in “Residensi Enesta Behrang” offers you a retreat from the hustle and bustle of city life, while offering conveniences of a mixed development township

CONTENTS

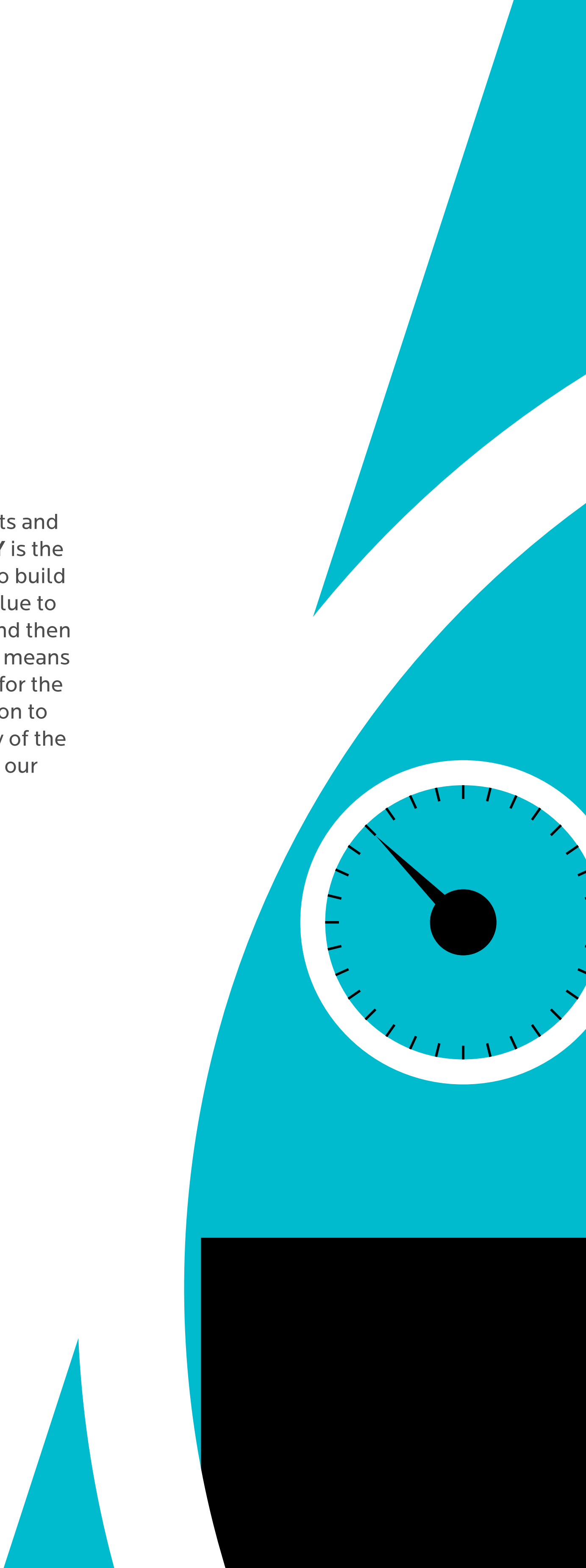
CREATIVITY DRIVES US FORWARD, INNOVATION MEANS WE DON’T STOP MOVING

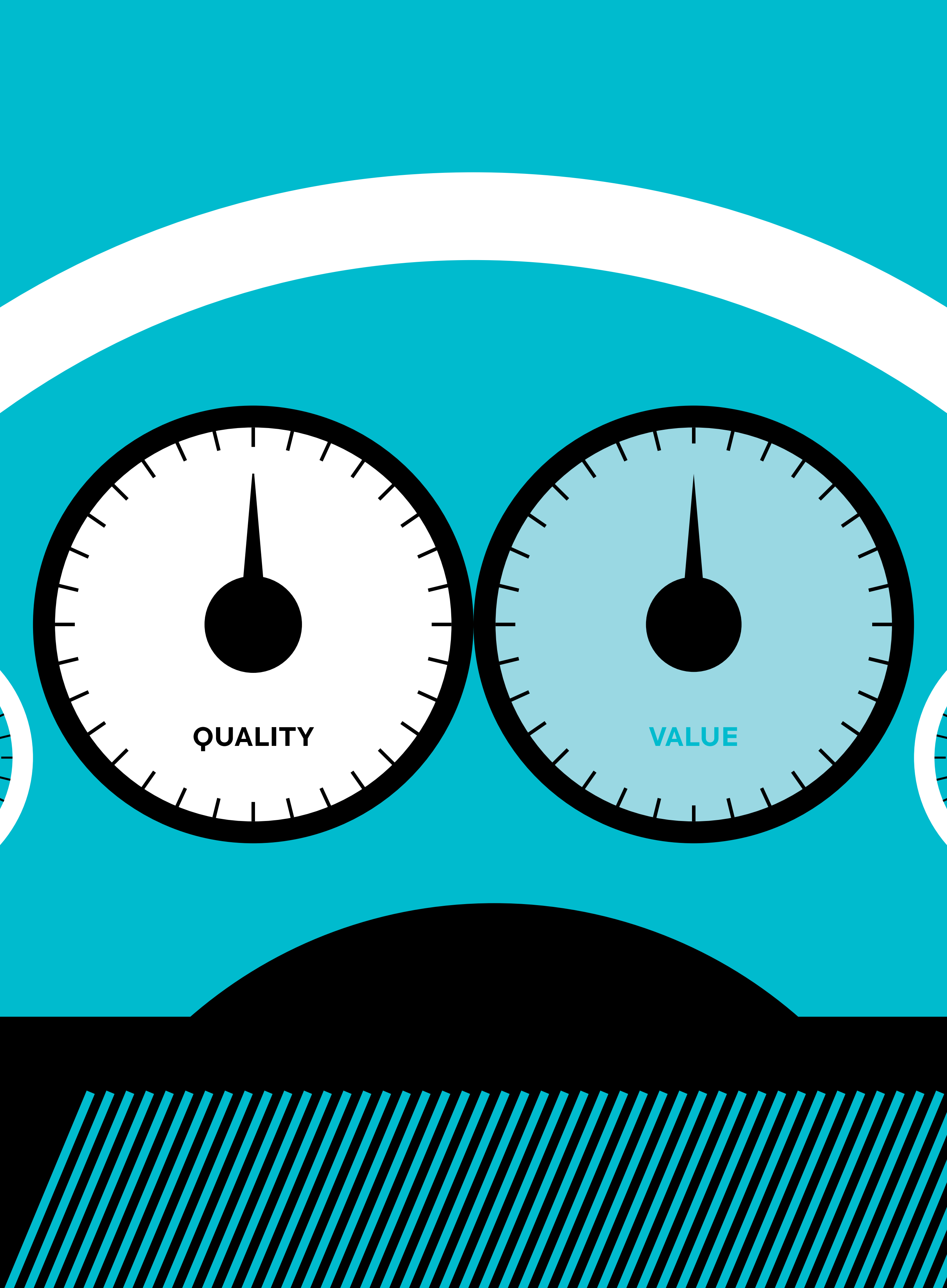
The value of **INNOVATION** is embedded in our corporate culture. We are driven by design and passionate about the delivery of a quality lifestyle, be that in the creation of exciting new property products that set benchmarks for the industry, or services that push the boundaries in the customer experience. But being innovative isn’t only about creating the ‘new’. It also means we continually strive to think of better ways of doing things and improving what we do, for the benefit of our customers. It means we always challenge the status quo, and are never satisfied with ‘business as usual’.


IDEAS IN MOTION
IDEAS IN MOTION

WE ARE DRIVEN BY EXCELLENCE, BUT ALWAYS WITH VALUE IN MIND

At Thriven, we want to create the kind of products and services that will lead the market, and **QUALITY** is the way we are going to achieve it. Our objective is to build quality living environments that deliver good value to our customers at the initial point of purchase, and then continue to increase in value, over time. Quality means we don't cut corners or compromise standards, for the sake of the bottom line. It means we pay attention to the details, both in the design and the durability of the buildings we create, and the way in which we do our work, or serve our customers.




QUALITY
VALUE

CARE IS HOW YOU BUILD COMMUNITY, AND GENUINE RELATIONSHIPS

Our vision says we want to build living communities, including our own, and **CARE** is at the heart of community. The Thriven difference is that we genuinely care for our customers, our business partners and each other. This means we always treat everyone with warmth and respect. It means that we are friendly, helpful and flexible in our customer service. It also means we are cooperative and easy-to-deal-with in our interactions with each other. This is how we nurture a winning network of clients and collaborators, generating mutual and enduring value together.


TAKE
CARE

CORPORATE PROFILE

Starling Terrace Homes @ Enesta Avenue, Desa Aman

Thriven Global Berhad is setting new standards in the Malaysian property market. We innovate new lifestyles with great passion and purpose.

We synergistically unlock the full potential of our project sites, which results in convenient, unique and efficient living spaces.

Listed on the Main Market of Bursa Malaysia Securities Berhad, we intend to leave an impressive legacy in urban planning and development. Our forte lies in creating integrated communities where lifestyle, leisure and business come together, in one place. We utilise innovation, forward-looking design and smart urban planning to forge a superior living experience.

CORPORATE PROFILE (cont'd)

Our three complementary core businesses, **Property Development and Investment, Hospitality And Lifestyle Retail and Facilities Management** are integrated to create our unique approach to community building.

PROPERTY DEVELOPMENT AND INVESTMENT

We handle each project with comprehensive detail and ensure that all steps taken in the planning and execution process are carefully carried out. At every phase, we drive the project forward with insight and vigour. With our team of dedicated and experienced staff, we deliver not only a superior product, but also an unforgettable experience.

HOSPITALITY AND LIFESTYLE RETAIL

In order to make living in our developments both a joy to live in as well as being convenient, we provide a range of services that have our homeowners' well-being and satisfaction in mind. Our lifestyle retail is carefully tailored in order to provide only the best for our homeowners. We have forged a long-term partnership with many key retail operators to provide the best possible experience for you.

FACILITIES MANAGEMENT

Our facilities management team carry out comprehensive services with a "personal touch" that ensure post-developmental activities are carried out efficiently and meet the highest standards possible. This is to ensure a high standard of living as well as safeguard the durability and investment potential of our developments.

This is what we call '**FORWARD LIVING**'.

CORPORATE PROFILE (cont'd)

FORWARD LIVING

We believe that property development is fundamentally about the future, about innovative concepts for the middle-income market, distinguished by cutting-edge planning and design. Our products offer a total lifestyle experience where living, leisure and business come together, in one place. In pursuit of our vision, we forge mutually beneficial relationships of trust with our business associates and customers.

This is Forward Living, in action.

FORWARD THINKING

We are inspired by design and passionate about creating a coveted living experience, be that in the development of new genres in service residences, or master-planned townships with affordable housing. We conceptualize every project from the broad view of urban planning all the way through to the essence of the product, the living space, where people can feel the impact of our design on a daily basis. We embrace more evolved ways of creating spaces with keen attention to detail and sensitivity to evolving market needs. By adopting a thoughtful approach to structures and materials, we deliver choice products that appreciate in value over time.

FORWARD MOVING

For us, property development isn't just about building houses, it's about creating holistic, sustainable, thriving communities. It's about values. We believe fundamentally in the family as a core unit of society, consequently, a 'Live-Work-Play' model lies at the heart of our urban planning. We also believe in sustainable development and caring for the environment, which has two aspects. First, we are determined that green spaces comprise at least 25% of the land area of all our developments. Second, we strive to keep our carbon footprint and energy consumption low, making astute choices in our building design and the selection of materials and lighting to accomplish this.

We have assembled a broad-based team with a complementary range of skill sets, leveraging on diverse backgrounds to transform the development landscape in Malaysia. We also believe in cultivating long-term, mutually beneficial partnerships of trust with our business associates for the best all-round results.

FORWARD LOOKING

We believe that no truly great vision can be achieved without collaboration, the mutually rewarding dynamic that creates value for everyone as it moves toward the goal. For this reason we have brought together a broad-based team internally with a complementary range of skill sets, leveraging our diverse backgrounds toward the shared objective of transforming the development landscape in Malaysia. Externally we also believe in cultivating long-term, mutually beneficial partnerships of trust with our business associates, where each contributes their expertise for the best all-round result, which for us means happy customers living in well-designed, healthy and sustainable communities.

CORPORATE
PROFILE (cont'd)

ABOUT THRIVEN

The name Thriven says something about who we are. Derived from the two words 'thrive' and 'driven', this kinetic fusion defines our corporate character.

We are a youthful and energetic group, open to growth and change. Our core strength lies in our people — a dynamic team of forward-thinking professionals with a high awareness of design and detailing. Innovative and progressive, we study emerging trends and push the boundaries to create products that will set benchmarks for the industry.

The Thriven team has a formidable track record in local and international markets, and brings together a comprehensive suite of skills from property development, facilities management and hospitality to corporate finance, debt capital markets and law.

Impiana Bungalows @ Desa Aman

CORPORATE PROFILE (cont'd)

OUR FOCUS

Our aim is to bring exciting and innovative residential products and services to the Malaysian market, which will define a new level of living experience, what we call 'Total Living'. Our focus over the medium term will be on Affordable Luxury for the upper mid-market, and Affordable Homes for the lower income segment.

Whatever the residential product, our focus is on quality, but always with value in mind — we seek to create and deliver those aspects of the living experience that create the most value and impact for the customers. Our objective is to build quality living environments with the kind of supporting infrastructure that delivers good value at the initial point of purchase, and then continues to appreciate in value as an investment, over time.

We pay attention to the details both in design and planning, and materials and fittings, building in the appropriate quality and reliability both in the 'hardware' and the 'software' of our developments. The result is a superior product that will lead the market.

We take our social responsibilities seriously. We aim to build well-rounded 'Live-Work-Play' communities in environments that have been considered from an urban planning viewpoint, bringing together residential, commercial and public spaces in a harmonious and mutually enriching manner. Woven into the fabric of these living communities will be generous green and leisure spaces.

OUR VALUES

Thriven Global is defined not only by our vision to create holistic communities which benefit society as a whole, but also by the values which guide all our business efforts, on a daily basis.

Honesty and integrity form the bedrock of our organization and this is the basis of how we build long-term trust between us and all our stakeholders. We care for our customers, our business partners, and for each other, treating everyone with warmth and respect. This is how we nurture a winning network of customers and collaborators, creating mutual, enduring value together.

We believe that great work begins with a great workplace — we work hard at cultivating an environment that inspires everyone to share his or her best. With a lean organizational structure, we move quickly and efficiently to accomplish tasks and achieve goals. We respect convention but are not bound by it, and 'champion the brand' by looking for new and unexpected — but always better — ways of doing things.

We believe in conducting our business in a sustainable manner, and always consider the long-term impact of our operations from an environmental standpoint.

THE FUTURE

Our projects are currently local but our horizon is global. We are dedicated to creating Thriven Global Berhad as an international brand, extending our reach across the region, building and maintaining a portfolio of quality projects that will build our reputation globally.

The retail, commercial and supporting infrastructure at the heart of our developments will create a recurring revenue stream, while partnerships with key retail operators will enhance the sustainability of our community-focused concept.

We envision growing our hospitality and lifestyle and facilities management teams to undertake projects of increasing size and complexity, and then offer this expertise on the market to third parties.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Datuk Fakhri Yassin Bin Mahiaddin

Group Managing Director
Ghazie Yeoh Bin Abdullah

Executive Director
Dato' Low Keng Siong

Independent Non-Executive Directors
Lim Kok Beng
Henry Choo Hon Fai
Rewi Hamid Bugo

Non-Independent Non-Executive Director
Lee Eng Leong

AUDIT AND RISK MANAGEMENT COMMITTEE

Lim Kok Beng *(Chairman)*
Rewi Hamid Bugo
Lee Eng Leong

NOMINATION COMMITTEE

Rewi Hamid Bugo *(Chairman)*
Lim Kok Beng
Henry Choo Hon Fai

REMUNERATION COMMITTEE

Rewi Hamid Bugo *(Chairman)*
Lim Kok Beng
Henry Choo Hon Fai

COMPANY SECRETARIES

Seet Wan Sing (BC/S/1491/PC No. 202008000746)
Tan Lai Hong (MAICSA 7057707/PC No. 202008002309)

REGISTERED OFFICE

Level 23A, Menara LGB
No. 1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur, Malaysia

T : (603) 7688 1266
F : (603) 7688 1277

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration no. 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

T : (603) 7890 4700
F : (603) 7890 4670

AUDITORS

BDO PLT (LLP0018825-LCA & AF 0206)
Chartered Accountants

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd.
AmBank (M) Berhad
Hong Leong Bank Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad
RHB Bank Berhad
Kenanga Investment Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : THRIVEN
Stock Code : 7889

WEBSITE ADDRESS

www.thriven.com.my

INVESTOR RELATIONS

E : ir@thriven.com.my
T : (603) 7768 1266

GROUP'S 5-YEAR FINANCIAL HIGHLIGHTS

Statements of Profit or Loss and Other Comprehensive Income

	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Revenue	**236,408**	239,079	122,870	66,969	56,810
Profit/(Loss) before tax	**29,255**	27,369	2,650	(16,589)	3,215
Profit/(Loss) after tax	**20,802**	21,520	1,791	(16,700)	376
Profit/(Loss) attributable to owners of the parent	**16,938**	20,395	201	(10,145)	3,508

Statements of Financial Position

	2019 RM'000	2018 RM'000 (Restated^^)	2017 RM'000 (Restated~)	2016 RM'000	2015 RM'000
Issued share capital	**59,586**	49,724	44,852^	37,670	37,670
Reserves	**144,257**	129,218	113,260	118,167	128,312
Total shareholders funds attributable to owners of the parent	**203,843**	178,942	158,112	155,837	165,982
Total assets	**423,708**	383,212	407,383	392,678	400,467
Total liabilites	**219,280**	207,549	253,244	246,470	237,559
Non-controlling interests	**585**	(3,279)	(3,973)	(9,629)	(3,074)
Earnings/(Loss) per ordinary share attributable to equity holders of the Company ("EPS")(sen)	**3.14**	4.10	0.04*	(2.04)*	0.71*
Net assets per ordinary share attributable to owners of the parent ("NAPS")(RM)	**0.37**	0.36	0.32*	0.31*	0.33*

~ Comparatives have been restated due to the adoption of MFRS 9, *Financial Instruments*.

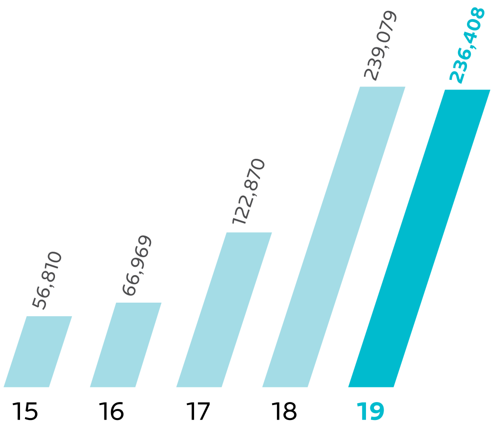
* The EPS and NAPS has been restated to take into account the effect of the bonus share issues for financial year ended 31 December 2015 to financial year ended 31 December 2017.

^ Pursuant to the Companies Act 2016 in Malaysia, the credit balance in the share premium account was transferred to the share capital account.

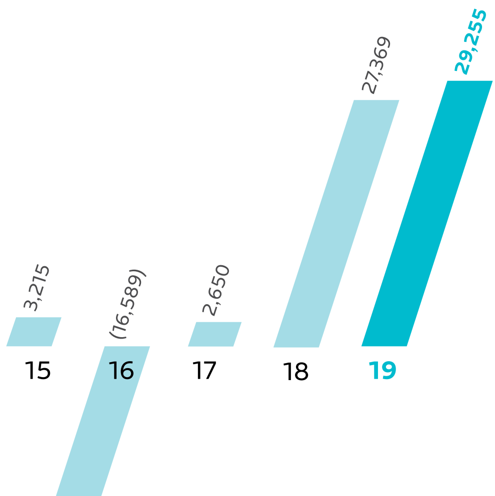
^^ Certain comparative figures have been reclassified where necessary to conform with the current year presentation.

GROUP'S 5-YEAR FINANCIAL HIGHLIGHTS (cont'd)

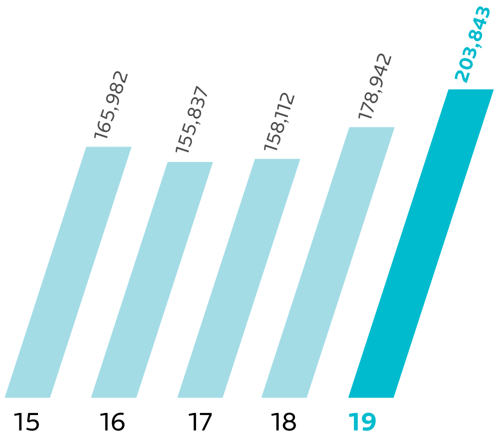
Revenue
(RM'000)



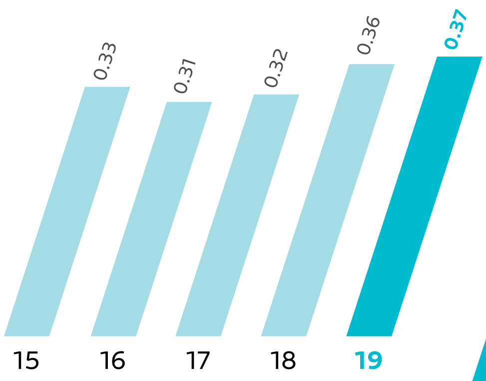
Profit/(Loss) before tax
(RM'000)



Total shareholders funds attributable to owners of the parent
(RM'000)



Net assets per ordinary share attributable to owners of the parent
(RM)



FINANCIAL CALENDAR

2019

FEBRUARY 28	Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2018
MAY 24	Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2019
JUNE 13	30th Annual General Meeting
AUGUST 23	Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2019
NOVEMBER 27	Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2019

2020

FEBRUARY 21	Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2019
JUNE	Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2020
TO BE ADVISED	31st Annual General Meeting
AUGUST 27*	Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2020
NOVEMBER 19*	Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2020

2021

FEBRUARY	Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 December 2020

* Date is subject to change

Canary Semi Detached Homes @ Enesta Avenue, Desa Aman

BOARD OF DIRECTORS

left to right

Lee Eng Leong
Non-Independent Non-Executive Director

Henry Choo Hon Fai
Independent Non-Executive Director

Dato' Low Keng Siong
Executive Director

Datuk Fakhri Yassin bin Mahiaddin
Executive Chairman

Ghazie Yeoh bin Abdullah
Group Managing Director

Lim Kok Beng
Independent Non-Executive Director

Rewi Hamid Bugo
Independent Non-Executive Director


THRIVEN

PROFILE OF BOARD OF DIRECTORS

DATUK FAKHRI YASSIN BIN MAHIADDIN
Executive Chairman

Gender	Nationality	Age
Male	Malaysian	44

Board Meeting Attendance in 2019 **5/5**

Date of Appointment: 18 April 2015

Length of Service (as at May 2020): 5 years 1 month

Board Committee Membership(s): Nil

Academic/Professional Qualification/Membership(s):
- Bachelor of Science (Econs) Degree in Business Economics, Queen Mary College, University of London, United Kingdom

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Datuk Fakhri is currently the Group Managing Director of Ketapang Capital Sdn. Bhd., an investment holding company of the Ketapang Group. He commenced his career as an Investment Analyst with Hwang-DBS Securities Bhd. He was a director of Eden Inc. Berhad until 31 December 2017.

He is currently serving on the Board of Trustees of TSM Charity Golf Foundation and Yayasan Nurul Yaqeen, both being educational and charitable non-governmental organisations.

Other Information: Datuk Fakhri does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He is deemed interested in 148,524,802 or 27.16% of the shares in the Company by virtue of his shareholdings in Ketapang Capital Sdn. Bhd.

GHAZIE YEOH BIN ABDULLAH
Group Managing Director

Gender	Nationality	Age
Male	Malaysian	43

Board Meeting Attendance in 2019 **4/5**

Date of Appointment: 22 May 2012

Length of Service (as at May 2020): 8 years

Board Committee Membership(s): Nil

Academic/Professional Qualification/Membership(s):
- Bachelor of Science Degree (Information Technology), Monash University, Melbourne, Australia

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Armed with 20 years of experience in the property industry, Encik Ghazie brings with him vast knowledge and understanding in the development, construction and building materials sector.

Other Information: Encik Ghazie does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 23,939,619 or 4.38% shares in the Company.

PROFILE OF BOARD OF DIRECTORS (cont'd)

DATO' LOW KENG SIONG
Executive Director

Gender	Nationality	Age
Male	Malaysian	46

Board Meeting Attendance in 2019 **5/5**

Date of Appointment: 4 September 2013

Length of Service (as at May 2020): 6 years 8 months

Board Committee Membership(s): Nil

Academic/Professional Qualification/Membership(s):
- Bachelor of Laws (Hons) Degree, King's College London, United Kingdom
- Barrister at Law, Lincoln's Inn
- Advocate and Solicitor of the High Court of Malaya (Non-practising)

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: He was called to the Bar of England & Wales and subsequently called to the Malaysian Bar. He was a Partner with a leading law firm in Kuala Lumpur from 2003 to 2014, with substantial experience in the practice areas of capital markets and corporate restructuring.

Other Information: Dato' Low does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 50,264,610 or 9.19% shares in the Company.

LIM KOK BENG
Independent Non-Executive Director

Gender	Nationality	Age
Male	Malaysian	73

Board Meeting Attendance in 2019 **4/5**

Date of Appointment: 28 August 2001

Length of Service (as at May 2020): 18 years 9 months

Board Committee Membership(s):
Remuneration Committee
Nomination Committee
Audit And Risk Management Committee *(Chairman)*

Academic/Professional Qualification/Membership(s):
- Fellow of the Institute of Chartered Accountants, England & Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Mr. Lim has broad experience gained internationally in the fields of investment banking and corporate planning, and has held Chief Executive positions in industrial, trading, development and information technology companies. He is a Senior Partner in a Chartered Accountants firm.

Other Information: Mr. Lim does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 100,000 or 0.02% shares in the Company.

PROFILE OF
BOARD OF DIRECTORS (cont'd)

HENRY CHOO HON FAI
Independent Non-Executive Director

Gender	Nationality	Age
Male	Malaysian	47

Board Meeting Attendance in 2019 **5/5**

Date of Appointment: 13 September 2007

Length of Service (as at May 2020): 12 years 8 months

Board Committee Membership(s):
Remuneration Committee
Nomination Committee

Academic/Professional Qualification/Membership(s):
- Bachelor of Science Degree (Computer Science), La Trobe University, Melbourne, Australia

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Mr. Henry Choo has 2 decades of direct investment and operations experience within the venture capital/ private equity and securities industry in Malaysia, Hong Kong and Australia. He was a former head of investment and chief operating officer of a sovereign wealth corporate venture fund. He is active on the boards and advisory committees of several private and public companies in the Asia-Pacific region. He has been the Managing Director of Geogenesis Sdn. Bhd., an explorer and developer of natural resources since 2011.

He was formerly the Independent Non-Executive Director of Mudajaya Group Berhad from 2004 to 1 January 2015.

Other Information: Mr. Henry Choo does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company.

PROFILE OF
BOARD OF DIRECTORS (cont'd)

REWI HAMID BUGO
Independent Non-Executive Director

Gender	Nationality	Age
Male	Malaysian	47

Board Meeting Attendance in 2019 **4/5**

Date of Appointment: 18 September 2015

Length of Service (as at May 2020): 4 years 8 months

Board Committee Membership(s):
Remuneration Committee *(Chairman)*
Nomination Committee *(Chairman)*
Audit And Risk Management Committee

Academic/Professional Qualification/Membership(s):
- Bachelor of Science (Management Science), University of Canterbury, New Zealand
- Master of Commerce (Business Administration), University of Canterbury, New Zealand

Present Directorship(s) in other Listed Companies: Nil

Present Directorship(s) in other Public Companies: Nil

Working Experiences: Mr. Bugo serves as a director of several private companies in Malaysia and New Zealand spanning various industries including property development, finance, motorcycle import and distribution, manufacturing and insurance broking.

He was the Deputy President of the Sarawak Housing and Real Estate Developer Association for the 2015-2018 term and currently serves on the Board of Trustees for WWF-Malaysia.

Other Information: Mr. Bugo does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years. He holds 2,349,700 or 0.43% shares in the Company. He is deemed interested in 488,400 or 0.09% shares in the Company by virtue of his shareholdings in Santubong Properties Sdn. Bhd. and indirect interest in 2,400,000 or 0.44% shares in the Company through shareholding by his father in the Company.

PROFILE OF
BOARD OF DIRECTORS (cont'd)

LEE ENG LEONG
Non-Independent Non-Executive Director

Gender	Nationality	Age
Male	Malaysian	52

Board Meeting Attendance in 2019 **5/5**

Date of Appointment: 10 March 2016

Length of Service (as at May 2020): 4 years 2 months

Board Committee Membership(s):
Audit And Risk Management Committee

Academic/Professional Qualification/Membership(s):
- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

Present Directorship(s) in other Listed Companies:
- Mudajaya Group Berhad
- Mulpha International Berhad

Present Directorship(s) in other Public Companies:
- Mudajaya Corporation Berhad
- Leisure Farm Polo Club Berhad

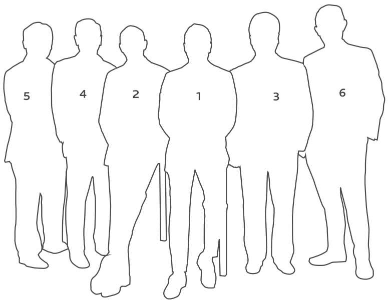
Working Experiences: Mr. Lee, is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He attained his INSEAD Global Executive Master of Business Administration (MBA) in 2018.

Mr. Lee was formerly the Group Chief Financial Officer of Alliance Bank Malaysia Berhad from 4 January 2010 to 2 October 2012. Prior to joining Alliance Bank Malaysia Berhad, he was the Chief Financial Officer for Microsoft, a major global company where he oversaw their finance operations covering the Asia region. For over 20 years, he has held various leadership roles in management positions within both local companies and multi-national companies in Asia.

Mr. Lee is currently the Executive Director of Mudajaya Group Berhad and Mulpha International Bhd. Prior to Mr. Lee's appointment as Executive Director of Mulpha International Berhad, he was the Group Chief Financial Officer of Mulpha International Berhad since 3 October 2012.

Other Information: Mr. Lee does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years and he does not hold any shares in the Company.

KEY
SENIOR MANAGEMENT



BOARD OF DIRECTORS

1 **Datuk Fakhri Yassin bin Mahiaddin**
Executive Chairman

2. **Ghazie Yeoh bin Abdullah**
Group Managing Director

3. **Dato' Low Keng Siong**
Executive Director

KEY SENIOR MANAGEMENT

4. **Augustone Cheong Kwok Fai**
Group Chief Financial Officer

5. **Teoh Kong Haur**
*Managing Director, Northern Region

6. **Seet Wan Sing (Edmund)**
Joint Company Secretary

*Note: Mr. Teoh Kong Haur was promoted as Managing Director for Northern Region on 23 January 2020.

PROFILE OF KEY SENIOR MANAGEMENT

AUGUSTONE CHEONG KWOK FAI *Group Chief Financial Officer*

Gender: Male | Nationality: Malaysian | Age: 51

Date of Appointment: 1 April 2015

Academic/Professional Qualification(s):

- Member of CPA Australia and the Malaysian Institute of Accountants
- Bachelor of Economics (majoring in Accountancy) from Monash University, Melbourne

Present Directorship(s):

Listed entity: Nil
Other public companies: Nil

Working Experience: In his working career, he has gained diverse experience in the areas of corporate finance, debt and equity fund raising as well as project financing with several financial institutions. Prior to joining Thriven as its Group Chief Financial Officer, he had also established and managed several private companies and ventures focusing on advisory and investment opportunities for its shareholders and external clients.

Others: He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

TEOH KONG HAUR *Managing Director, Northern Region*

Gender: Male | Nationality: Malaysian | Age: 44

Date of Appointment: Appointed as senior management on 1 January 2016 and subsequently promoted as Managing Director for Northern Region on 23 January 2020.

Academic/Professional Qualification(s):

- Bachelor of Business Management Degree from Wawasan Open University, Malaysia
- Diploma in Civil Engineering from the Federal Institute Technology

Present Directorship(s):

Listed entity: Nil
Other public companies: Nil

Working Experience: Having more than 20 years of working experience in property developments which involved private and government projects within Klang Valley, Johor, Penang and Kedah. Mr. Teoh has experience in managing and coordinating large and complex real estate projects through all phases of designing, planning and development. He joined Thriven on 17 September 2014 as Project Manager and was subsequently promoted as General Manager on 1 January 2016 before being promoted to Managing Director in charge of its Northern Region division since January 2020 where he provides leadership in project management, property development and marketing to the team based there.

Others: He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

SEET WAN SING (EDMUND) *Joint Company Secretary*

Gender: Male | Nationality: Malaysian | Age: 44

Date of Appointment: 1 May 2015

Academic/Professional Qualification(s):
- Bachelor of Laws, University of East London, England
- Certificate in Legal Practice
- Advocate & Solicitor of the High Court of Malaya

Present Directorship(s):
Listed entity: Nil
Other public companies: Nil

Working Experience: Mr. Seet was called to the Malaysian Bar in March, 2002. A lawyer by profession, he was a partner with a leading law firm in Kuala Lumpur before setting up his own legal firm in 2015. He has substantial experience in the practice areas of real estate, banking, corporate and commercial law.

Others: He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past five years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

DATUK FAKHRI YASSIN BIN MAHIADDIN
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Overview of Group's Business and Operations

Thriven Global Berhad ("Thriven" or the "Group") is an established property developer listed on the Main Market of Bursa Malaysia. The principal activities of Thriven are currently property development, property investment, facilities management and hospitality and lifestyle retail.

THRIVEN's branding was established five years ago with the change in Thriven's controlling shareholders. Originating from the words "thrive" and "driven", this dynamic synthesis of two positive intrinsic qualities describes our current corporate culture and character. In addition to our corporate branding (THRIVEN), we have also created two product lines, namely LUMI Collections and eNESTa Homes, segregating our target customers into the upper middle-market and middle-income markets respectively. In just five short years, our LUMI and eNESTa brands have made significant inroads into the property markets in the Klang Valley and northern region of Peninsular Malaysia.

In the financial year ended 31 December 2019 ("FY2019"), despite the difficult operating conditions, the Group is pleased to report a profit after tax of RM20.80 million on the back of revenues amounting to RM236.41 million.

Our LUMI Tropicana, Residensi ENESTA Kepong and Suite eNESTa Kepong developments in the central region, and affordable housing projects in Desa Aman, Kulim continue to be the main growth drivers of our Group's revenue and profitability.

Objective and strategies

The Group's commitment to our shareholders is to improve performance, create sustainability and stay profitable, guided by the following strategies and initiatives:

Core Business Division	Objectives and Business Strategies
Property development	Fast track development activities for the remaining land banks located in Desa Aman. Continue to look for potential joint ventures with land owners to increase our land banks and expand our revenue drivers. Our objective of our developments is to create the concept of Total Living i.e. integrated communities, where lifestyle, business and leisure are enmeshed harmoniously together, assuring the continuous growth in value of our customers' investments for years to come.
Property investment	The retail, commercial and supporting infrastructure in our developments generate recurring income streams while future partnerships with key retail players and service residence operators which will diversify and enhance our revenue streams.
Facilities management	Our facilities management subsidiary completes the spectrum of our comprehensive services with quality building management, maintenance, leasing and staffing. Our maintenance teams undertake the business of cleaning, landscaping, security, plumbing, mechanical and electrical, maintenance and pest control. Post-development activities will be carried out efficiently to maintain high standards, enhance living experience and safeguard the durability and investment potential of our developments.
Hospitality and lifestyle	In order to make living in our developments both convenient and enjoyable, we provide a complete range of hospitality and lifestyle related services in line with our homeowners' wants and needs. Lifestyle property planning and development ensures the right retail mix to create vibrancy and completeness in living experience. To this end, we are forging long term partnership with reputable retail operators.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

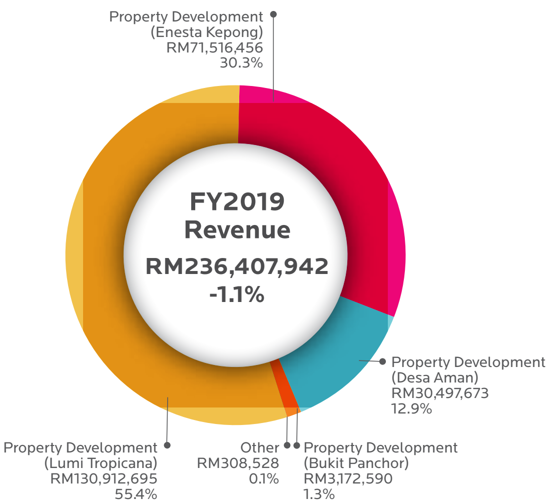
Besides our existing core businesses in property development, property investment and facilities management, we are commencing operations of a new hospitality and lifestyle retail division in the 2nd half of 2020.

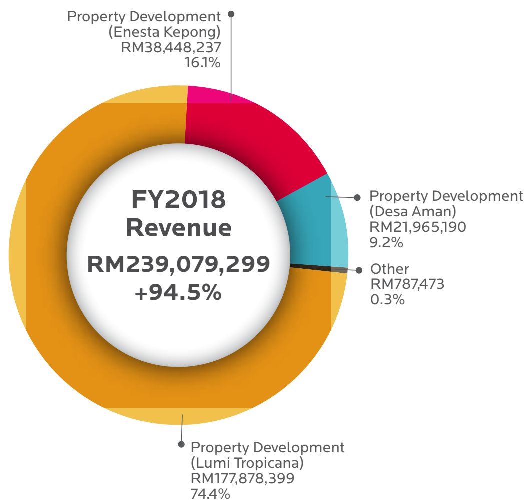
Financial Review

Summary of Income Statement

	FY2019 RM'000	FY2018 RM'000
Revenue	**236,408**	239,079
Cost of sales	**(184,410)**	(191,715)
Gross profit	**51,998**	47,364
Other income	**2,445**	1,714
Major operating expenses & finance costs		
Staff costs	**(11,113)**	(10,325)
Depreciation	**(3,559)**	(2,396)
Finance costs	**(3,617)**	(2,509)
Sales and marketing costs	**(2,691)**	(1,741)
Professional fees	**(1,046)**	(1,235)
Tax expense	**(8,453)**	(5,849)
Number of staff	**88**	85
Gross profit margin (%)	**22.00%**	19.81%
Total expenses as a % of revenue	**10.65%**	9.08%

Revenue and Profit Before Tax





MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

In FY2019, the Group achieved revenues of RM236.41 million in FY2019, which is 1.1% lower than the prior year's revenues of RM239.08 million. The slight drop was mainly caused by lower revenue recognition from Lumi Tropicana Project as a result of the provision of liquidated ascertained damages for the delay in Lumi Tropicana Phase 1's handover, compensated by better sales for our eNesta Kepong and Desa Aman projects.

Despite the lower revenues attained, the Group reported a higher pre-tax profit of RM29.26 million as compared to FY2018's figure RM27.37 million. The improvement in pre-tax profit attained in FY2019 was principally contributed by the lower cost of sales and higher other income (from investment property disposal gains), partially offset by higher operating expenses in FY2019.

For 2019, in the central region, we were focusing on the sale of the remaining unsold units in our Tropicana and Kepong developments.

The sales demand for our northern region projects remains robust, continuing the trend of prior years. Our new launches in Desa Aman, Kulim for affordable housing projects have been fully sold within a year from launch.

Cost of Sales and Gross Profit

The slight improvement in FY2019 gross profit margin was mainly contributed by lower cost of sales arising from cost savings in our Enesta Kepong project.

Other Income

This increase comprises mainly the disposal gain of 2 office units in Phileo Damansara.

Operating Expenses and Finance Costs

The higher staff costs was principally due to the additional staff recruited to support the expansion of the Group. The increase in depreciation was mainly due to the depreciation of Right-Of-Use assets caused by the adoption of MFRS 16 effective 1 January 2019. Higher finance costs for the current financial year were attributable to the higher interest expenses incurred arising from Thriven Global Berhad's increased (and more expensive) borrowings taken to support the Group's activities.

Tax Expense

The Group's tax expenses rose by 44.4% to RM8.45 million in 2019 as compared to RM5.85 million the year before primarily because of prior year under provision of tax in 2019 relative to an over provision in 2018, and the movement in our Group's deferred tax position, i.e. changing from deferred tax liabilities to deferred tax assets, due mainly to the differing tax versus accounting treatment of certain transactions.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Summary of Financial Position

	FY2019 RM'000	FY2018 RM'000	Increase (+)/ Decrease (-) %
Assets			
Investment properties	**26,263**	825	+>100.0%
Inventories	**225,869**	279,298	-19.1%
Contract assets	**124,381**	57,751	+>100.0%
Cash and bank balances	**16,701**	11,053	+51.1%
Liabilities			
Borrowings	**109,091**	122,219	-10.7%
Trade and other payables	**99,220**	76,710	+29.3%
Contract liabilities	**3,419**	5,030	-32.0%
Total Equity	**204,428**	175,663	+16.4%
Net debt-to-equity ratio (%)	**49%**	51%	-3.9%
Net assets per ordinary share attributable to owners of the parent (RM)	**0.37**	0.36	+2.8%

Investment Properties

Investment properties of RM26.26 million and other borrowings of RM27.77 million (included in borrowings as disclosed in Note 17 to the financial statements) were costs incurred and progress billings received as at 31 December 2019 respectively in relation to the sale and leaseback of Lumi Retail, both recognised in accordance with MFRS 16. Please refer to Note 7(f) and Note 17(d) to the financial statements for further details.

Inventories and Contract Assets

For FY2019, inventories, which comprised of properties held for development (RM30.40 million), properties under development (RM194.59 million) and completed properties (RM0.88 million), have decreased marginally by 19.1%, principally due to charging out of property development costs to cost of sales in accordance with project construction progress during the FY2019.

Contract assets have significantly increased as compared to the previous year, mainly attributable to the revenue recognised being greater than the progress billings issued to the buyers for Lumi Tropicana Phase 1 and Residensi ENESTA Kepong projects. As at 31 December 2019, the two projects are very near completion, with greater than 90% revenue recognition but progress billings are mostly at 75% pending vacant possession.

Cash and Bank Balances

The Group's cash and bank balances increased by 51.1% to RM16.70 million (2018: RM11.05 million), principally due to further collections of progress billings.

Trade and Other Payables and Contract Liabilities

Trade and other payables rose by 29.3%, largely because of the increase in the amounts owing to contractors and sales agents.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Contract liabilities were recognised in conjunction with the adoption of MFRS 16 for certain units of our Lumi Tropicana service residences which were treated as sale and leaseback transactions. Further details are explained in Note 34.1 (b) to the financial statements.

Borrowings and Net Debt-To-Equity Ratio

	FY2019 RM'000	FY2018 RM'000	Increase/ (Decrease) RM'000
Borrowings	81,317	122,219	(40,902)
Other Borrowings – non-financial institution (arising from sale and leaseback arrangement)	27,774	–	27,774
Total	**109,091**	**122,219**	**(13,128)**

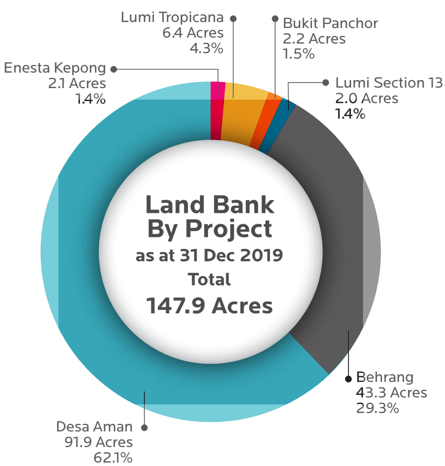
As at 31 December 2019, the Group repaid RM40.90 million of borrowings during the current financial year.

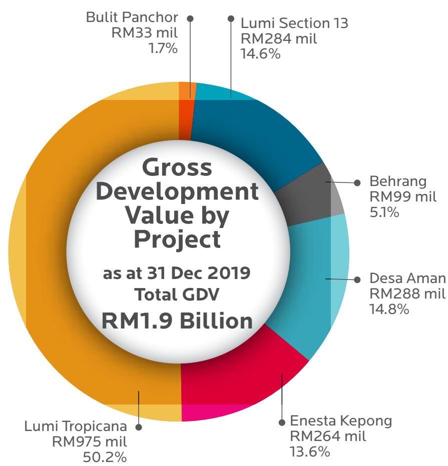
The Group's current ratio as at 31 December 2019 is still at a comfortable level of 1.71 times (31 December 2018: 1.85 times), which indicates that the Group will be able to meet its short-term liquidity obligations as they become due.

In terms of capital management, the Group's principal objective is to build a strong capital base and safeguard the Group's ability to continue as a going concern. This is to preserve investor, creditor and market confidence and to support its future developments. The Group intends to maintain a sustainable debt-to-equity ratio and also comply with the debt covenants required by its financing facilities.

As at 31 December 2019, the Group's net debt-to-equity ratio (Net Debt/Total Capital plus Net Debt) has decreased to 49% (31 December 2018: 51%), and we are pleased to advise that our financiers and creditors continue to provide financial support for our property development activities.

Operational Review





MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

CENTRAL REGION

LUMI Tropicana

Lumi Tropicana is the first development in the Lumi Collections series and comprises:
- 744 residences, in two to three bedroom configurations, housed in four themed towers, namely "PLAY", "ACTION", "WELLNESS" and lastly "LIFESTYLE", featuring hotel-styled concierge and housekeeping services.
- 62 SoHo units for those who desire a 'work, live, play' environment.
- A retail podium featuring cafes, a supermarket, and other leisure amenities.

Lumi Tropicana (Phase 1) and Lumi Tropicana (Wellness Tower/Tower 3) achieved an average take up rate of 90% and 70% respectively for the units launched. In April 2019, we started selling the last of the four towers comprising the remaining 186 units of serviced residences, namely Lifestyle Tower. Sales for Lifestyle Tower units thus far have been commendable, and we expect buyer interest to remain strong into 2020.

Our Phase 1 construction has completed with the certificate of practical completion received on 31 January 2020. Vacant possession is expected by the third quarter of 2020. The construction of Phase 2 is also well advanced, having reached up to level 40 (roof slab) and level 36 in Towers 3 and 4 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Residensi ENESTA Kepong & Suite eNESTa KEPONG

Residensi ENESTA KEPONG and Suite eNESTa Kepong is located at the intersection of Jalan Kepong and Pintasan Segambut, Kuala Lumpur. The strategic location provides ease of access from highway and public transport alike, with the Jinjang MRT Station right across Jalan Kepong, while AEON BIG and AEON Metro Prima are both a stone's throw away. They are low-density developments which command a main road frontage.

Residensi ENESTA Kepong comprises 254 units of affordable housing under the RUMAWIP programme, designed exclusively for qualified first home buyers who are currently residing or working in Kuala Lumpur. Suite eNESTa Kepong on the other hand, consists of 258 units of serviced apartments together with 23 units of retail lots targeted at middle income buyers and investors.

In Kepong, both projects (Residensi ENESTA Kepong and Suite eNESTa Kepong) had been launched and received very encouraging responses from purchasers. All the non-bumiputra residential units for both projects have been fully sold. Overall, the average take-up rate has exceeded 85%.

Residensi ENESTA Kepong

Suite eNESTa Kepong

Residensi ENESTA Kepong is expected to hand over to buyers by the third quarter of 2020, whereas the main building works for Suite eNESTa Kepong has attained level 13A and is estimated to be completed by the first quarter of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

NORTHERN REGION

Taman Desa Aman, Kedah

Continuing the positive trend from prior years, sales demand in Desa Aman remains robust. In 2019, we have successfully completed and achieved strong sales for our single storey semi-detached houses (Indahyu) and fully sold the low medium cost apartments (Residensi eNESTa Desa Aman). Our developments in Desa Aman have always received very encouraging sales responses, and as such, the Group is planning to launch a series of affordable housing projects, including a new phase of affordable single storey terrace houses to meet the local market demand.

Identification and Managing Anticipated or Known Risks

In any financial year, fluctuation of the Group's revenue, profit and operating cash flows may occur depending on the sales performance and construction progress of the projects undertaken.

Cost management is important, in particular, the construction cost of our development projects is subject to overruns, which may adversely affect our profitability. We are aware of raw material price volatility and mitigate our risks by entering into fixed price contracts with our contractors, vendors and suppliers, for example in our Lumi Tropicana, Kepong and Desa Aman projects.

In the current highly competitive market environment, we recognise that it is vital to differentiate ourselves from our competitors. We do so by offering excellent value for our products regardless of whether it is an upper middle market product such as the LUMI series or a middle market development such as eNESTa. Our projects are distinguished by their unique designs and superior locations, highlighting integrated and harmonious community living incorporating value-added housekeeping, concierge, maintenance and professional rental management services, further substantiating our commitment to buyers. These post-development activities/services provided to buyers enhance the value of our developments. We also offer innovative ownership packages to attract buyers to invest in our housing developments.

With the general credit tightening by local lenders affecting the ready accessibility of both project and end-financing, going forward, we intend to match the demand for our products with the availability of such financing in support of our projects, and also minimise our capital outlays by entering into joint ventures with land owners.

The Group will adhere to maintaining a healthy balance sheet to ensure it remains flexible to respond to land acquisition and investment opportunities as they arise. To address and minimise the risks before entering into a development project, the Group will take measures i.e. conduct detailed market studies to understand buyers need, market demand and supply and marketing strategies.

Future Prospects

For the financial year ending 31 December 2020 ("FY2020"), the Group's revenues will continue to be underpinned by new sales and unbilled sales of more than RM330 million from our on-going developments, to be delivered over the next two financial years. For the central region, we will focus on the handover vacant possession of our anchor projects i.e. Lumi Tropicana Phase 1 and Residensi ENESTA Kepong projects.

Both our LUMI Tropicana and eNESTa Kepong developments are strategically located in mature and prime residential areas within the Klang Valley, and hence we are confident that demand for units there would continue to be healthy.

2020 will be a challenging year for the local property market particularly with the likelihood of an economic downturn caused by the COVID-19 outbreak. We hope that the recent economic stimulus packages and accommodative monetary policies announced by the Government to combat the negative effects of this pandemic will assist our economy to recover quickly. Earlier, several measures/key policies which are intended to stimulate the property market were announced under Budget 2020, for example, lowering the threshold for foreign buyers and government financing schemes such as the Rent-To-Own (RTO) scheme for first time home buyers. The revival of notable mega infrastructure projects in 2019, such as the East Coast Rail Link (ECRL) and Bandar Malaysia which will house the Kuala Lumpur (KL)-Singapore high speed rail are also expected to further promote growth in this sector.

Therefore, we are cautiously optimistic that the local property market will remain relatively stable with good demand expected in the affordable housing sub-sector, while sales in prime areas will continue to be supported by scarcity values and resilient market liquidity.

We continue to benefit from our Klang Valley projects' unique selling points and at the same time delivering affordable housing products to address the needs of the market. For the northern region, aside from Desa Aman, we are also entering into a new affordable housing market in Behrang, Perak which is targeting to launch in 2nd half of 2020. Desa Aman itself has developed into a matured township, and we are optimistic that our projects there will continue to be in demand and anchor our northern region's activities.

Apart from property development, the Group has also started embarking on lifestyle and hospitality and expanding the facilities management business, i.e. dealing with our serviced residences purchasers, retail unit tenants and SoHo owners for leasing activities as well as building management and maintenance services.

For FY2019, the Board of Directors is not proposing to declare any dividends to conserve funds for re-investment into our current projects in order to see them to fruition. The Board will review this policy from time to time depending upon a number of factors, including future earnings, capital commitments, general economic conditions and distributable reserves.

Datuk Fakhri Yassin bin Mahiaddin
Executive Chairman
12 May 2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of Thriven Global Berhad ("Thriven" or the "Company") recognises that maintaining good corporate governance practices is critical to business integrity and key to maximise and create long term shareholders' value and the financial performance of the Company and its subsidiaries (the "Group").

The Board is committed in ensuring the Group practises a high standard of corporate governance in discharging its responsibilities to enhance shareholders' value and financial position of the Group by evaluating and continuing to review its existing corporate governance practices and policies throughout the Group in order to (i) remain relevant with the developments in the market practice; (ii) comply with relevant laws and regulations; and (iii) ensure full application of key corporate governance principles as set out in the Malaysian Code of Corporate Governance 2017 ("MCCG").

This statement which is made pursuant to paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), sets out the manner in which the Group has applied the three (3) key principles and recommendations of MCCG. It must be read together with the Corporate Governance Report published on Thriven's website at *www.thriven.com.my*.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is cognisant of its responsibilities by ensuring proper control of the economics and financial management of the Company and validates the strategic directions proposed by the Management for implementation.

The Board acts in the best interests of Thriven, honestly, fairly and diligently and in accordance with the duties and obligations imposed upon it by the Constitution of the Company and the laws and regulations.

The Board also serves as a panel to provide effective guidance on the assessment of principal risks and the appropriate systems to manage these risks, as well as to review the adequacy and integrity of the Company's internal control system in safeguarding shareholders' interests and the Company's assets.

The Board's role and responsibilities include but are not limited to the following:-

- Setting and reviewing the objectives, goals and strategic plans for the Group with a view to maximising shareholders' value.
- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.
- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed.
- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks.
- Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Implementing succession planning for senior management.
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

To discharge its functions and responsibilities, the Board ensures proper control of the economics and financial management of the Company and validates the strategic directions proposed by the Management for implementation. It has in place, business authority limits which sets out relevant

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

matters which the Board has delegated to the Management Team led by the Group Managing Director. These authority limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group.

There is a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisition and disposal of major investments, changes to the management and control structure of the Company and issues in respect of key policies, procedures and authority limits. The Executive Directors and the Management are tasked to ensure compliance with this.

It is also the Directors' responsibility to declare to the Board whether they have any potential or actual conflict of interest in any transactions or in any contract or proposed contract with the Company or any of its related companies. Where issues involve conflict of interest, the Directors will abstain from discussion and voting on the matters as well as abstain from any other decision-making process in relation to these transactions.

The Board delegates certain responsibilities to the Board Committees namely, the Audit And Risk Management Committee, Nomination Committee and Remuneration Committee, all of which operate within defined terms of reference, to examine specific matters within their respective terms of reference as approved by the Board. The terms of reference of the Board Committees are published on Thriven's website at *www.thriven.com.my* and are reviewed and revised from time to time, as and when required. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairmen of the Board Committees and the tabling of minutes of the Board Committee meetings at Board meetings. The ultimate responsibility for decision-making, however, lies with the Board.

The roles of the Chairman and the Group Managing Director remain separate and distinct. The Chairman with the assistance from the Company Secretaries plays an important leadership role and is responsible for:

- Setting the agenda for meetings of the Board that focus on strategic direction and performance.
- Maintaining on-going dialogue and relationship of trust with and between the Directors and the Management.
- Ensuring clear and relevant information is provided to the Directors on timely manner.
- Ensuring sufficient time is allowed for the discussion of complex or critical issues.
- Cultivating good governance and compliance practices throughout the Group.

A Corporate Code of Conduct, formalised in 2013 by the Board, provides guidance for Directors, senior executives and other employees on the standards expected on them in the conduct of business. Directors and employees are required to uphold high standards of integrity in discharging their duties and to comply with the relevant laws and regulations.

The Board Charter (which was formalised in 2013 and revised in March 2018 to be in line with MCCG) and the Corporate Code of Conduct, sets out inter alia, the roles and responsibilities of the Board and Board Committees, the procedures for convening Board meetings, financial reporting, investor relations and shareholder communication. The Charter which serves as a source of reference for new Directors, will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

The Board Charter and the Corporate Code of Conduct are available for reference at the Company's website at *www.thriven.com.my*.

An Employee Handbook, which was adopted by the Group in February 2016, and the revised version was approved by the Board in November 2019, includes the Employee's Code of Conduct and Whistleblowing Policy, which is intended to cover protection for staff who raise concerns in relation to irregular and unlawful practices.

The Whistleblowing Policy is intended to directly support the Company and the Group's Core Values, Code of Ethics and Governance requirement and to encourage and enable employees, directors, shareholders or any parties with a business relationship with the Company to raise concerns regarding any illegal conduct or malpractice at the earliest opportunity without being subject to victimisation, harassment or discriminatory treatment and to have such concerns properly investigated within the Company and the Group prior to seeking resolution outside the Company. Any complaints or information in respect of any illegal, unethical or questionable practices may be made through e-mail (*armc@thriven.com.my*) or mail addressed directly to the Audit and Risk Management Committee ("ARMC").

The employees and other stakeholders are guided by the Whistleblowing Policy when relaying any information in relation to the abovementioned in writing to any one or more of the designated persons stated in the said Policy. Upon receipt of report made together with available evidence, the Whistleblowing Committee (comprising of the Chairman and the Independent Non-Executive Directors) may assign the Head of Group Internal Audit or other assigned investigator to investigate and take all reasonable steps to ensure that investigations regarding the report and disclosure are carried out fairly, unbiased and with due regards to the principles of nature justice. The Head of Group Internal Audit or other assigned investigator will report the outcome of the investigation to the ARMC and a copy of the Whistleblowing report will be submitted to the ARMC for Loss Event Reporting purposes.

The details of the procedures and lodgement channels of the Whistleblowing Policy are available on the Company's website at *www.thriven.com.my.*

The Board members have full access to the two (2) Companies Secretaries, both are professionally qualified, who play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures as well as compliance with the relevant guidelines, regulatory and statutory requirements, corporate governance and best practices.

The Company Secretaries are also responsible in organising and attending all Board and Committee Meetings, ensuring adherence to Board policies and procedures and that all statutory records are well maintained at the registered office of the Company. The Company Secretaries also ensure that the deliberations and decisions made at the Board and Committee Meetings are well captured and minuted.

In view of the introduction of corporate liability provision for bribery and corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), the Board has in November 2019 approved the appointment of external legal advisers to assist the Group to establish, amongst others, comprehensive anti-bribery and anti-corruption policies and 'adequate procedures' towards compliance with the MACC Act and to ensure that the Group complies with paragraph 15.29 of the Listing Requirements (which will come into effect on 1 June 2020) on anti-corruption and whistle-blowing policies.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

II. Board Composition

Thriven is led and managed by a competent Board comprising members with vast experience in the real estate investment and property development, business strategies, management, accounting, finance, economics and legal to control and provide stewardship of Thriven's business and affairs on behalf of the shareholders. The breadth and depth of the Board skills are vital for the successful stewardship of Thriven's strategic direction and operations to maximise and create long term shareholder value.

As at 31 December 2019, the Board has seven (7) members, comprising three (3) Executive Directors and four (4) Non-Executive Directors, of which three (3) of the Non-Executive Directors are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director. This complies with paragraph 3.04 of the Listing Requirements of at least two (2) Directors or one-third (1/3) of the Board to be independent.

The Independent Directors provide independent judgment, objectivity and check and balance on the Board, including ensuring the strategies, plans and policies proposed by Management are deliberated and considered, taking into account the overall strategies and directions of the Group and the interest of stakeholders, as well as advising and monitoring corporate governance framework, policies and practices. This is to protect the interests of shareholders, employees, various other stakeholders and the communities where the Company operates.

There is a clear division of responsibilities between the Executive Chairman and the Group Managing Director to ensure that there is a balance of power and authority such that no one individual has unfettered powers over decision-making.

The Executive Chairman is primarily responsible for the orderly conduct and performance of the Board. He also ensures that the Board practises good governance in discharging its duties and responsibilities. The Group Managing Director is responsible for the implementation of the objectives, goals and operational matters of the Group. Although the Executive Chairman, Datuk Fakhri Yassin bin Mahiaddin is not an Independent Director, the Board believes that with the three (3) Independent Directors on the Board, there is a balance of power and authority on the Board.

The Board takes cognisant of the recommendation to have gender diversity on the Board. Through its Nomination Committee ("NC"), the Board is taking steps to ensure that women candidates are sought as part of its recruitment exercise. NC will endeavour to consider women candidates in the recruitment exercise.

In maintaining the effectiveness of the Board and the independence of Independent Directors, the Board through its NC performs annual assessment in order to review that the Board as a whole and to ensure that individual Director performed effectively in discharging their functions and duties as well as to mitigate risks arising from conflict of interests or undue influence affecting their independence. The assessment is conducted via the Assessment Sheet for each member of the Board and the Independent Directors of the Company. The assessment on independence serves as a form of attestation by the Independent Directors that they are able to exercise independent judgment, impartiality and objectivity in the best interest of the Company. The NC reviewed the overall results of the evaluations conducted and subsequently presented the same to the Board and highlighted those areas which required further and continuous improvement.

The NC comprises all Independent Non-Executive Directors. In compliance with the MCCG, the NC is chaired by an Independent Non-Executive Director, Mr. Rewi Hamid Bugo. The NC has written terms of reference dealing with its authority, duties and responsibilities, which are available on the Company's website at *www.thriven.com.my*.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

The activities of the NC during the financial year are summarised as follows:

(a) Reviewed the evaluation results of the Board and Board Committees, and independence assessment of the Independent Directors.

(b) Reviewed the results of the Director's Self & Peer Evaluation and mix of skills, competencies and experience of Directors.

(c) Reviewed the term of office, competency and performance of the ARMC and its members.

(d) Reviewed and recommended the retention of Independent Directors who have served on the Board for a cumulative term of 9 years and above.

(e) Reviewed and recommended the re-election of Directors who were required to retire by rotation under Clause 88 of the Company's Constitution.

(f) Reviewed the training programmes attended by the Directors and assessed the training needs of Directors.

(g) Reviewed the composition of the ARMC, the NC and the Remuneration Committee.

(h) Reported its proceedings and made recommendations to the Board for its consideration and approval.

During the financial year, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board meetings held. To facilitate the Directors' time planning, a schedule of meetings comprising the dates of Board and Board Committees' meetings and AGM, would be prepared and circulated to the Directors at the last Board Meeting of every year.

The disclosures in relation to Practice 4.2 of the MCCG are disclosed in the Corporate Governance Report.

III. Directors' Training

The Board is mindful of the need to enhance competency by improving their skills and knowledge to stay abreast with the ever-changing business environment, regulatory requirements and corporate governance developments. All Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as required under paragraph 15.08 of the Listing Requirements. The Directors undergo training programmes and seminars from time to time and as and when necessary to keep themselves conversant with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to discharge their duties effectively.

The Directors have on-going access to continuing education programmes as they are kept informed of relevant training programmes by the Company Secretaries. The records of all training programmes attended by the Directors are maintained by the Company Secretaries.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

Details of trainings attended by Directors during the financial year under review are as follows:-

Name of Directors	Title	Organiser	Date
Datuk Fakhri Yassin Bin Mahiaddin	Executive Talk on Integrity and Governance	Malaysian Institute of Integrity	31 October 2019
Ghazie Yeoh Bin Abdullah	Sustainability by Design: Practical Steps for Malaysian Businesses	Digi.com Berhad, Business Council for Sustainable Development Malaysia (BCSDM), Federation of Malaysian Manufactures (FMM), Telenor Group and UNICEF Malaysia	17 September 2019
Dato' Low Keng Siong	Executive Talk on Integrity and Governance	Malaysian Institute of Integrity	7 November 2019
Lim Kok Beng	Executive Talk on Integrity and Governance	Malaysian Institute of Integrity	7 November 2019
Henry Choo Hon Fai	Understanding Boardroom Dynamics	The Malaysian Institute of Chartered Secretaries and Administrators	14 November 2019
Rewi Hamid Bugo	Sustainability by Design: Practical Steps for Malaysian Businesses	Digi.com Berhad; Business Council for Sustainable Development Malaysia (BCSDM), Federation of Malaysian Manufactures (FMM), Telenor Group and UNICEF Malaysia	17 September 2019
	Seminar on Malaysian Anti-Corruption Commission Amendment Act 2018	Tengis Corporate Services Sdn. Bhd.	24 September 2019
	Workshop on Corporate Liability Provision (Section 17A) of the MACC Act 2009	Bursa Malaysia Berhad	5 November 2019
Lee Eng Leong	Bursa Malaysia Thought Leadership Series Sustainability Inspired Innovations: Enablers of the 21st Century	Malaysian Institute of Accountants	23 September 2019
	Session on Corporate Governance and Anti-Corruption	Bursa Malaysia Berhad and Securities Commission of Malaysia	31 October 2019

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

IV. Remuneration

The Board believes in a competitive and transparent remuneration framework that supports the Directors' and the Senior Management's responsibilities and fiduciary duties in managing the Group to achieve its long term objective and enhance stakeholders' value.

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of Executive Directors, the remuneration is structured to link rewards to corporate and individual performance based on key performance indicators. For Non-Executive Directors, the level of remuneration reflects their experience, level of responsibilities and industry average.

The role of the Remuneration Committee ("RC") is to assist the Board in overseeing the remuneration policies of the Group. The RC consists of all Independent Non-Executive Directors, chaired by Mr. Rewi Hamid Bugo. The written terms of reference of the RC which deals with its authority, duties and responsibilities, are available on the Company's website at *www.thriven.com.my*.

During the financial year under review, the RC evaluated the Executive Chairman and the Executive Directors against the set key performance criteria, and reviewed and recommended their compensation packages for the Board's approval. The RC also evaluated and reviewed the fees paid to the Non-Executive Directors benchmarked against the average remuneration paid to the Non-Executive Directors of other public listed companies in the same industry, which was prepared by the Management.

The Board collectively determined the remuneration for the Non-Executive Directors based on the evaluation by the RC. Each of the Non-Executive Directors abstained from deliberating and voting in respect to his individual remuneration. The Directors' fees and benefits payable to the Non-Executive Directors are subject to the approval of shareholders at the AGM.

The remuneration of the Directors on a named basis are set out below:-

Name	Salary/ Fees (RM)	Bonus (RM)	Defined contribution plan – EPF (RM)	Other emoluments/ allowances (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors						
Datuk Fakhri Yassin bin Mahiaddin *(Executive Chairman)*	745,200	–	89,424	–	31,150	865,774
Ghazie Yeoh bin Abdullah *(Group Managing Director)*	688,752	–	82,656	–	31,150	802,558
Dato' Low Keng Siong *(Executive Director)*	521,640	–	62,604	–	31,150	615,394

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

Name	Salary/ Fees (RM)	Bonus (RM)	Defined contribution plan – EPF (RM)	Other emoluments/ allowances (RM)	Benefits-in-kind (RM)	Total (RM)
Non-Executive Directors						
Lim Kok Beng *(Independent Non-Executive Director)*	43,000	–	–	6,900@	–	49,900
Henry Choo Hon Fai *(Independent Non-Executive Director)*	35,000	–	–	3,400@	–	38,400
Rewi Hamid Bugo *(Independent Non-Executive Director)*	43,000	–	–	6,900@	–	49,900
Lee Eng Leong *(Non-Independent Non-Executive Director)*	33,000	–	–	6,000@	–	39,000
TOTAL	**2,109,592**	**–**	**234,684**	**23,200**	**93,450**	**2,460,926**

Notes: @ Other emoluments/allowances comprising meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended in the year 2019

The remuneration (including salary, bonus, allowances, benefits-in-kind and other emoluments) of top five (5) key senior management personnel on a named basis during the financial year in bands of RM50,000 are set out below:-

Range of Remuneration	Name of Key Senior Management
RM850,001 to RM900,000	Datuk Fakhri Yassin bin Mahiaddin *(Executive Chairman)*
RM800,001 to RM850,000	Ghazie Yeoh bin Abdullah *(Group Managing Director)*
RM600,001 to RM650,000	Dato' Low Keng Siong *(Executive Director)*
RM500,001 to RM550,000	Augustone Cheong Kwok Fai *(Group Chief Financial Officer)*
RM200,001 to RM250,000	Teoh Kong Haur *(*General Manager – Northern Region)*

The disclosures on Practices 6.2 and 7.1 to 7.3 of the MCCG are disclosed in the Corporate Governance Report.

* Note: Mr. Teoh Kong Haur was promoted as Managing Director for Northern Region on 23 January 2020.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit And Risk Management Committee

In 2019, the ARMC comprised three (3) members, all of whom are Non-Executive Directors and is chaired by an Independent Non-Executive Director.

The ARMC and its composition is evaluated by the NC annually and recommended to the Board for noting. In safeguarding an independent and effective ARMC whilst taking guidance from the MCCG, the membership for ARMC consists of members who are financially literate and possess appropriate level of expertise, experience and strong understanding the Company's business.

On 28 February 2018, the Audit Committee was renamed as ARMC to reflect the ARMC's role to support the Board in fulfilling its responsibility in governance of the Company's risk management matters, in line with the recommendation of the MCCG. The ARMC comprises of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The ARMC is chaired by Mr. Lim Kok Beng, the Senior Independent Non-Executive Director of the Company. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Listing Requirements.

The Audit and Risk Management Committee Report set out in this Annual Report 2019, provides the details of the ARMC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors.

The disclosures on Practices 8.1 to 8.5 of the MCCG are disclosed in the Corporate Governance Report.

II. Risk Management and Internal Control Framework

The Board understands that the ultimate responsibility for ensuring a sound internal control systems which provides reasonable assurance on the effectiveness and efficiency of the systems lies with the Board. The Group's internal control system is crafted to manage the risks to achieve Company's objectives aside from safeguarding the stakeholder's interest and the Group's asset.

The details of the Risk Management and Internal Control Framework are set out in the Statement On Risk Management And Internal Control of the Annual Report.

III. Internal Audit

The internal audit function is out-sourced to CGRM Infocomm Sdn. Bhd. ("CGRM"), an independent professional services firm which is a corporate member of the Institute of Internal Auditors ("IIA") Malaysia. The Executive Director in-charge of the engagement, in her capacity as the head of the internal audit function, is also an individual member of the IIA.

On an annual basis, CGRM provides the Board with a signed declaration of competency and list of trainings attended by the audit engagement team.

The internal audit charter was approved by the Audit Committee on 29 March 2016 and stipulates, amongst others, the internal auditors' role, scope and authority, organisation status and reporting structure, independence and objectivity and responsibilities.

The disclosures on Practices 10.1 to 10.2 of the MCCG are disclosed in the Corporate Governance Report as well as Audit and Risk Management Committee Report of the Annual Report.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board acknowledges the need for shareholders to be informed of all material business matters of the Company. Announcements to Bursa Securities are made on significant developments and matters of the Group. Financial results are released on a quarterly basis to provide shareholders with a regular overview of the Group's performance. The Marketing Communications Department of the Company also arranges press interviews and briefings, and releases press announcements to provide information on the Group's business activities, performance and major developments, as and when necessary.

In addition to published annual report and quarterly results announced to Bursa Securities, the Company has a website at *www.thriven.com.my* from which investors and shareholders can access for information about the Group, including detailed information on the Group's businesses and latest development, a dedicated section on investor relations and corporate governance which contains all announcements to Bursa Securities, quarterly financial results, financial statements and annual reports. Any enquiries may be directed to this email address, *ir@thriven.com.my*.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

A Corporate Communication Policy, which was approved by the Board in November 2018, is adopted by the Group to provide accurate and timely disclosure of corporate and other related information to enable informed and orderly decision-making by our stakeholders. In formulating this policy, the Group has taken into account the disclosure obligations contained in the Listing Requirements, which in turn relied on the principles contained in its Corporate Disclosure Guide.

II. Conduct of General Meetings

The Company's general meetings serve as a forum for dialogue and interaction with shareholders. Notices of general meetings and related documents are sent to shareholders within the notice period required by the relevant law and the Listing Requirements of Bursa Securities before the meeting is to be held. Notices of general meetings with sufficient information of business to be dealt with thereat are also published in one national newspaper to provide for wider dissemination of such notice to encourage shareholders participation. At the general meetings, shareholders have direct access to the Board and key senior management and are encouraged to participate in the question and answer session.

Resolutions will be voted by way of poll, as required under the Listing Requirements, and the Company will make an announcement on the detailed results to Bursa Securities.

In facilitating greater participation by shareholders at AGMs of the Company, Thriven will continue to explore possible means of leveraging the technology such as to conduct general meetings via telephone conference, video conference or other similar equipment and appointment of proxy via electronic communication as stated in the Company's Constitution.

This Corporate Governance Overview Statement was approved by the Board of Thriven on 12 May 2020.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

On 15 March 2019, the Company had completed the private placement of 49,700,000 new shares in the Company to independent third party investors, which corporate proposal was announced on 28 February 2018 ("Private Placement"). In total, the Company raised gross proceeds of RM9,861,500 from the Private Placement exercise and its utilisation thereof are set out below:-

Purpose	Utilisation (RM'000)
Repayment of Borrowings	7,927
Working Capital	1,880
Estimated expenses in relation to the Private Placement	55
Total	9,862

2. AUDIT AND NON-AUDIT FEES

The fees paid/payable to the external auditors for services rendered to the Company and/or its subsidiaries ("the Group") for the financial year ended 31 December 2019 are as follows:-

The audit fees incurred on a Group basis is RM172,500.00; and the amount of non-audit fees incurred on a Group basis is RM12,000.00, with the details set out below:-

Company	Audit Fees (RM)	Non-audit Fees (RM)
Bakat Stabil Sdn. Bhd.	5,100	–
Bukit Punchor Development Sdn. Bhd.	5,000	1,000
Dynamic Unity Sdn. Bhd.	4,000	–
Eco Green Services Sdn. Bhd.	14,000	–
Golden Cignet Sdn. Bhd.	28,000	1,000
Lumi Hospitality Sdn. Bhd.	6,100	–
Mayfair Ventures Sdn. Bhd.	28,000	1,000
MLB Quarry Sdn. Bhd.	4,100	–
Thriven Amona Sdn. Bhd.	13,100	1,000
Thriven Global Berhad	51,000	8,000
Thriven NCR Sdn. Bhd.	3,000	–
Thriven Properties Sdn. Bhd.	4,100	–
Thriven TT Sdn. Bhd.	5,000	–
Verdant Parc Sdn. Bhd.	2,000	–
Total	172,500	12,000

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year ended 31 December 2019.

4. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions of a revenue or trading nature ("**RRPT**") conducted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION AND TERMS OF REFERENCE

The Audit Committee ("AC") was established pursuant to a resolution of the Board of Directors ("Board") passed on 10 April 1997 and renamed as Audit And Risk Management Committee ("ARMC") on 28 February 2018 to reflect the ARMC's role to support the Board in fulfilling its responsibility in governance of the Company's risk management matters, in line with the recommendation of the Malaysian Code on Corporate Governance 2017 ("MCCG").

The terms of reference of the ARMC were reviewed and updated on 28 February 2019 to reflect the requirements of the applicable practices and guidance of the MCCG and are available on the Company's corporate website at *www.thriven.com.my*.

COMPOSITION

The ARMC comprises of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This meets the requirements of paragraphs 15.09(1)(a), 15.09(1)(b) and 15.09(2) of the Main Market Listing Requirements ("MMLR").

The current members of the ARMC are as follows:-

1. Lim Kok Beng *(Chairman)*
   (Independent Non-Executive Director)
2. Rewi Hamid Bugo
   (Independent Non-Executive Director)
3. Lee Eng Leong
   (Non-Independent Non-Executive Director)

The ARMC Chairman is a fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the MMLR.

PERFORMANCE OF ARMC

The performance of the ARMC was assessed through self-evaluation and the Nomination Committee reviewed the results of such assessments prior to recommending to the Board for notation. The Board is satisfied that the ARMC has discharged its function, duties and responsibilities in accordance to the Terms of Reference of the ARMC, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards, practices and guidance during the financial year ended 31 December 2019.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2019, the ARMC held eight (8) meetings and the record of attendance of the ARMC members is as follows:-

Name of ARMC Members	Number of Meetings Attended
Lim Kok Beng	8/8
Rewi Hamid Bugo	8/8
Lee Eng Leong	7/8

AUDIT AND RISK MANAGEMENT
COMMITTEE REPORT (cont'd)

The Group Chief Financial Officer and the Senior Manager of Group Finance and Treasury were invited to attend six (6) out of the eight (8) meetings held to present and provide clarification on the unaudited consolidated quarterly results and audit matters. The external auditors were present at three (3) of the total meetings held. During the financial year, the ARMC met with the external auditors three (3) times without the presence of the executive board members and the Management. Other relevant responsible senior management personnel were invited to attend the meetings, as and when required.

In 2019, the internal auditors attended five (5) out of the eight (8) meetings held to table the respective internal audit reports and presented their recommendations as the actions and steps taken by the Management in response to any audit findings and to discuss the internal audit plan. Follow-up audit reports on the status, actions and steps taken by the Management on previous audit findings were tabled to the ARMC at subsequent ARMC meeting to update the ARMC accordingly.

Minutes of each ARMC meeting were recorded and tabled for confirmation at subsequent ARMC meeting and thereafter, the minutes will be presented to the Board for notation. The ARMC's Chairman, with the assistance of the Group Chief Financial Officer and the Senior Manager of Group Finance and Treasury, presented to the Board the Committee's recommendations to approve the annual and quarterly financial statements. The ARMC Chairman also conveyed and made recommendations to the Board on matters of significant concern as and when raised by the external auditors or internal auditors in the respective presentations or reports.

The ARMC is also responsible for overseeing the implementation of the Company's Policy on Whistleblowing for the Group's employees and third parties. Any complaint or information in respect of any illegal, unethical or questionable practices may be made through e-mail (*armc@thriven.com.my*) or mail addressed directly to the ARMC. A copy of the Company's Policy on Whistleblowing is available on the Company's corporate website at *www.thriven.com.my*.

SUMMARY OF WORK OF THE ARMC

During the financial year, the ARMC carried out its work in line with its Terms of Reference, which are summarised as follows:-

(a) Reviewed the quarterly results and annual financial statements for recommendation to the Board for approval and release to Bursa Malaysia Securities Berhad.

    The ARMC is delegated with the responsibility to ensure that the Group's statutory accounts are fairly stated and conform to the relevant regulations and acceptable accounting policies. The ARMC focuses particularly on changes in or implementation of major accounting policy changes, significant and other legal requirements before recommending them for approval by the Board for announcement to Bursa Securities.

    In review of the annual audited financial statements, the ARMC discussed with the Management and the external auditors the accounting principles and standards and their judgement of the items that may affect the financial statements as well as issues and reservation, arising from the statutory audits.

(b) Reviewed and approved internal audit plan, which encompassed the scope of internal audit work.

(c) Reviewed the audit activities and findings of internal audit, as well as the actions and steps taken by the Management in response to such findings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (cont'd)

(d) Reviewed with the external auditors, their audit plan and scope of audit prior to the commencement of audit.

(e) Reviewed with the external auditors, the audit report, issues, reservations and management responses arising from their audit, as well as the audit and non-audit fees.

(f) Reviewed with the external auditors, the extent of assistance rendered by the Management and issues arising from their audit, without the presence of the executive board member and the Management.

During the year under review, the ARMC had three (3) independent meetings with the external auditors without the presence of the Management to discuss any problems/issues arising from the final audit and the assistance given by the employees or the Management during the course of audit by external auditors. The ARMC was pleased to report that there was no significant matter of disagreement that arose between the external auditors and the Management.

(g) Reviewed the recurrent related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on normal commercial terms and that internal control procedures employed are both sufficient and effective.

(h) Reported to the Board on significant issues and concerns discussed during the ARMC meetings together with applicable recommendations. Minutes of the ARMC meetings were tabled and noted by the Board.

(i) Reviewed the independence status and performance of the external auditors for the financial year ended 31 December 2019.

The ARMC carried out an assessment on the performance of external auditors covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the external auditors with the assistance from the Management.

The ARMC also ensured the independence of the external auditors by obtaining written assurance from the external auditors that the external auditors are independent in accordance with the *By-Laws (on Professional Ethics, Conducts and Practice)* of the Malaysia Institute of Accountants.

Having satisfied with the independence, suitability and performance of BDO PLT, the ARMC recommended to the Board for approval to seek shareholders' approval for the re-appointment of BDO PLT as external auditors for the ensuing financial year end of 31 December 2020.

(j) Reviewed and investigated an anonymous complaint alleging inconsistent practice. Upon conducting its enquiries and review, the ARMC concluded that there was no evidence or information to substantiate the allegation and reported the same to the Board for notation.

(k) Reviewed and recommended to the Board the appointment of external legal advisers to assist the Group to establish an anti-bribery and anti-corruption policy together with "Adequate Procedures" to comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the new paragraph 15.29 of the Main Market Listing Requirements (which will come into effect on 1 June 2020).

(l) Reviewed and recommended to the Board for approval, the Circular to Shareholders in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

(m) Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

AUDIT AND RISK MANAGEMENT
COMMITTEE REPORT (cont'd)

(n) Reviewed and approved the Audit And Risk Management Committee Report for inclusion in the Annual Report.

(o) Reviewed and approved the updated Comprehensive Enterprise Risk Assessment – Risk Register of the Company.

(p) Reviewed the potential risks of the Company and the Group which divided into five (5) categories, namely strategic risks, market risks, operational risks, financial risks and people risks.

As part of the duties and responsibilities to oversight the financial reporting, the ARMC ensures that the changes in or implementation of major accounting policy changes and all significant matters highlighted including financial reporting issues, significant judgments made by the Management, significant and unusual events or transactions, and how these matters are addressed are adhered to.

The ARMC also ensures that the financial reporting of the Company and the Group are in compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORK

The Board recognised the importance of the internal audit function whose principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance processes.

The role of Internal Audit was out-sourced to CGRM Infocomm Sdn. Bhd. ("**CGRM**"), a professional consultancy firm specialises in corporate governance, risk management and internal audit. CGRM reports functionally to the ARMC and undertake regular reviews of the systems of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

The attainment of such objectives involved the following activities being carried out by CGRM during the financial year ended 31 December 2019:-

(a) Continuously reviewed and revised the 24-month risk-based internal audit plan for approval by the ARMC for implementation taking cognisance of changes in the Group and operating environment.

(b) Reviewed and appraised the adequacy, effectiveness and reliability of internal control systems, policies and procedures.

(c) Monitored the adequacy, reliability, integrity, security and timeliness of financial and other management information systems.

(d) Determined the extent of compliance with relevant laws, codes, standards, regulations, policies, plans and procedures.

(e) Reviewed the efficiency and effectiveness of operational controls to mitigate identified risks.

(f) Reviewed and verified the means used to safeguard assets.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (cont'd)

(g) Tabled to the ARMC, the audit reports incorporating the audit findings, audit recommendations, identified risks, risk management recommendations and management responses on the following areas:
- Billing and Collections
- Facilities Maintenance
- (follow up audit review on) Tender Management and Contract Management
- Vacant Possession
- Customer Service Management
- (follow up audit review on) Consultant Management (eNESTa Kepong) and Site Safety, Health and Environment (eNESTa Kepong)
- Marketing Management
- Advertising & Promotions Management
- Property Sales Agency Management
- (follow up audit review on) Billing and Collections, Facilities Maintenance, Vacant Possession, Customer Service Management, Marketing Management, Advertising & Promotions Management and Property Sales Agency Management

(h) Reviewed, identified risk and recommend risk management procedures to the Management in respect of the areas audited in paragraph (g) above and reported to the ARMC for review and necessary actions.

(i) Incorporated suggestions made by the ARMC and the Management on concerns over operations or controls and significant issues pertinent to the Company and the Group into the pre-audit planning.

(j) Assisted in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

The outsourced internal auditors referred to the International Professional Practices Framework of the Institute of Internal Auditors and used a risk-based approach in preparing their internal audit plan. The results of the audits provided in the Internal Audit Reports together with the findings and recommendation for improvements were presented to the ARMC for deliberations. The resulting reports from the audits were also forwarded to the Management for attention and necessary corrective actions, if any, and periodic status reports were tabled to Board together with a summary of improvements required and actions taken by the Management for the Board's review and noting.

Total costs incurred for the internal audit service provided by CGRM for the financial year ended 31 December 2019 amounted to RM67,245.34 as compared to RM72,288.33 in 2018.

Retail Lots @ Residensi Enesta Behrang

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Board of Thriven Global Berhad is pleased to provide the following Statement on Risk Management and Internal Control, which outlines the nature and scope of internal controls and risk management within Thriven Global Berhad and its subsidiaries (collectively referred to as the "Group") during the year under review.

BOARD'S RESPONSIBILITY

The Board holds the overall responsibility to ensure the establishment, adequacy and integrity of the Group's risk management and system of internal control. The Board affirms its commitment to maintaining a sound risk management and internal control system as it recognises the importance of systematic risk management practices and sound internal controls to safeguard shareholders' investments and the assets of the Group.

The Board also recognises that there are inherent limitations to any system of risk management and internal control. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss. Thus, the system is designed to manage and minimise impact rather than completely eliminate risks that may impact the achievement of the Group's business objectives.

RISK MANAGEMENT

The Audit and Risk Management Committee ("ARMC") supports the Board in fulfilling its responsibility in governance of the Company's risk management matters. The ARMC, with the assistance of the Risk Management Working Group, systematically identify and assess the risks faced by the Group according to the Group's risk management framework.

The risk management framework contains elements drawn from ISO 31000: 2009 Risk Management – Principles and Guidelines. Within the framework, the Group has an established and structured process for identifying, assessing, communicating, monitoring and continuously review risks and effectiveness of the risk mitigation strategies and actions. This process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory, business and external environment.

During the financial year, the ARMC convened one (1) meeting to review and note the Summary of Risks prepared by the Risk Management Working Group, which had re-assessed and further streamlined the impact analysis of risks identified.

The Group had appointed Messrs Shook Lin & Bok in December 2019 to undertake the assignment to establish and advise on the implementation of adequate procedures pursuant to Section 17A(5) of the Malaysian Anti-Corruption Act 2009, as stated in the MACC Amendment Act 2018.

INTERNAL CONTROLS

The Group's system of internal control encompasses governance, risk assessment, financial, organisational, operational, regulatory and compliance control matters. The key elements of the Group's internal control systems are categorised and summarised according to the COSO Integrated Framework for Internal Controls as follows:

Control Environment

1. The Group's commitment to integrity and high ethical standards of business conduct are embodied in our Corporate Code of Conduct. A copy of the Corporate Code of Conduct is available on our corporate website (*thriven.com.my > investor relations > corporate governance > corporate code of conduct*). The Corporate Code of Conduct reiterates the Group's commitment to good corporate behaviour and is an integral part of the Group's system of internal control and corporate governance.

2. The Board has approved the business authority limits covering key aspects of the Group's business and financial operations. Management have conducted the business of the Group within this mandate provided by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

3. The Group has a clearly defined organisation structure and reporting responsibilities for all staff which is further subdivided into the northern and central region of its operations.

4. Job descriptions are established for all levels of staff which clearly stipulates their respective job responsibilities and duties.

5. The Group maintained its whistleblower policy and procedures with the intention to encourage and enable employees and other stakeholders to raise concerns regarding any illegal conduct or malpractice without being subject to victimisation, harassment or discriminatory treatment, and to have such concerns properly investigated prior to seeking resolution outside the Group. The ARMC has the overall responsibility to oversee the implementation of the whistleblower policy and procedures of the Group.

   During the financial year, the ARMC received an anonymous complaint without any details or firm evidence, alleging inconsistent practices. Upon conducting its enquiries and reviews, the ARMC concluded that there was no evidence or information to substantiate the allegation; instead the available evidence and justifications point towards a situation in which matters were conducted within and in accordance with approved processes and authority granted by the Board.

6. Departmental/functional objectives are communicated to and understood by employees with specific criteria established to measure achievement of such objectives.

Risk Assessment

7. Management periodically considers/anticipates, identifies, and responds to routine events or activities that could have an impact on achieving Group-wide or process-level objectives.

8. Where appropriate, these responses would be translated into policies and/or procedures to ensure continuous application of mitigating controls to prevent recurrence and/or reduce the impact of the event/activity that prevented the Group or process from achieving its objective(s).

Control Activities

9. The Group has systematically documented Standard Operating Policies and Procedures ("SOPP") in place to guide employees in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary. During the financial year, the following SOPP have been issued or revised:

   - One (1) new SOPP pertaining to Human Resources & Administration
   - One (1) revised SOPP on Projects
   - One (1) new and one (1) revised SOPP for Sales Administration
   - One (1) new SOPP for Customer Relationship Management
   - One (1) new SOPP for Marketing Communications
   - One (1) new SOPP for Facilities Management

10. Periodic individual and collective progress assessments are carried out to ensure alignment and achievement of individual department deliverables/targets to Group objectives and goals.

Information and Communication

11. Feedback and monitoring mechanisms are implemented to enable management to periodically assess whether business and/or Group-wide objectives have been achieved or are achievable. Monthly review of the Group's operational activities is conducted during management meetings chaired by the Group Chief Financial Officer.

12. Management frequently collaborate and meet, whether formally or informally, to discuss and address significant/potential issues in a timely manner.

13. Management is provided with timely, relevant and reliable management, financial and operational reports from the business operations and financial reporting functions of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

Monitoring

14. The Board met quarterly and have set a schedule of matters, which is required to be deliberated and approved by the Board, thus ensuring the Board maintains full and effective supervision over the Group's control processes.

15. Quarterly financial results are reviewed and deliberated by the ARMC prior to announcement and release to the investing public.

16. The ARMC and Management continuously evaluate the adequacy, sufficiency and effective operation of the Group's risk management and internal control system through regular reviews, discussions and deliberations following matters brought to their attention.

17. The internal audit function of the Group, which is outsourced to CGRM Infocomm Sdn Bhd ("CGRM"), an independent professional firm, supports the ARMC and the Board by planning, conducting and providing independent assurance of the adequacy and effectiveness of the Group's risk assessment processes and system of internal controls through audit reviews carried out based on a rolling 24-month risk-based internal audit plan. The reviews were conducted with reference to the International Professional Practices Framework and the Code of Ethics issued by the Institute of Internal Auditors, Inc and classified and reported according to the principles of COSO Internal Control – Integrated Framework.

    Please refer to the Audit & Risk Management Committee Report on pages 50 to 54 for a summary of internal audit and risk management activities during the financial year.

BOARD ASSESSMENT & ASSURANCE FROM MANAGEMENT

The Board is of the view that the development of a sound system of risk management and internal control is an on-going process, and will continue to take pertinent measures to maintain and improve the Group's system of risk management and internal controls in meeting the Group's strategic objectives, targets and goals.

The process for identifying, evaluating and managing risks as outlined in this Statement has been in place for the year under review and up to the approval of this statement for inclusion in the 2019 Annual Report. During the financial year, the Group has continuously evaluated and implemented a number of internal control improvements as recommended by its internal auditors.

The Board, with assurance received from the Group Managing Director and Group Chief Financial Officer, concludes that the Group's risk management and internal control system are operating effectively, in all material aspects.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the external auditors have reviewed this statement for inclusion in the 2019 Annual Report, and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls.

The scope of their review is set out in Audit and Assurance Practice Guide 3 ("AAPG3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

CONCLUSION

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 12 May 2020.

Community Hall @ Residensi Enesta Behrang

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

Sustainability is at the forefront of Thriven Global Berhad's ("Thriven") way of doing business. We have consistently instilled the ethos of sustainability to our four key development priorities, namely Marketplace, Workplace, Environment and Community, while being committed to maintaining good corporate governance as we strive to build a robust business for the long term.

As such, we continue to work towards identifying, nurturing and ultimately developing the potential of our core businesses by implementing projects that align with our Group's vision. We aim to build seamless integrated communities that begins with embedding sustainability into our governance and operations, ensuring fair work practices as well as health and environmental safety, and eventually creating an environment that enhances the lives of the communities we serve.

Through the integration of sustainability into every part of our organisation, we hope to deliver excellent products and services, as well as strong financial results to position the company for a sustainable future.

Highlights of our sustainability journey for 2019 included the enhancement of our hiring practices and a revision of our employee benefits to include, amongst others, a reward for perfect attendance, streamlining of our long service awards, travel claims, allowances and other changes to maintain an edge over prevailing market practices. We have also improved our health, safety and environment ("HSE") practices and are happy to announce that there are no lost time incidents, injuries or fatalities in 2019. Throughout the year, we continued to make improvements to the living environment at our developments while engaging our stakeholders on various platforms to ensure our sustainability agenda remains on track to meet their needs and concerns.

Our key priorities for the year under review have been identified as follows:

MARKETPLACE

- Improvement in quality and value of business
- Constant engagement with our stakeholders
- Prioritising our customers

WORKPLACE

- Enhancing employees' productivity, performance and quality
- Transparent and fair employment policies
- Attract, nurture and retain talents

ENVIRONMENT

- Strive to minimise environmental impact in all our business operations
- Manage waste, pollution and carbon footprints
- Promote green and eco-friendly features in our products and services

COMMUNITY

- Enhancing community lifestyle
- Implementing projects that will benefit our communities
- Getting feedback to enable us to serve the local community better

SUSTAINABILITY STATEMENT (cont'd)

SUSTAINABILITY DISCLOSURES

Scope
Unless otherwise stated, Thriven's 2019 sustainability section covers disclosures of our Malaysian business operations from 1 January 2019 to 31 December 2019 on topics deemed material to our sustainability.

References and Guidelines
We are guided by Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Sustainability Reporting Guide (2^{nd} Edition) in meeting the Main Market Listing Requirements.

Disclosures and External Assurance
A sustainability function is still being developed at Thriven. As such, there is no external assurance activities for the year under review. Our sustainability policy is expected to be in place by the year 2023.

Governance
The organisation plans its business strategies with great care, taking into consideration the economic, environmental and social impact of our plans. Our Group Managing Director is responsible for leading Thriven's sustainability agenda and reports to the Board regularly with relevant updates and development. Meanwhile, the Board takes full accountability to ensure effective corporate governance across the Group, with sound and effective risk management whilst maintaining internal controls.

Stakeholders' Engagement
We interact with a large group of people and entities who affect or are affected by our business activities in various ways. As a property player, we consider our investors, buyers and customers, business partners, fund managers and analysts, regulatory authorities, and the communities in which we operate, to be our primary stakeholders. Together with our employees, suppliers and members of the media, they complete the Thriven ecosystem.

Their feedback and views on a wide range of market and business issues inform our business decisions and sustainability plan. Therefore, the Board has formalised a Corporate Communications Policy to govern our engagement with these stakeholders, especially externally, through disclosure documents, presentations, electronic and other written communications, interviews, speeches, briefings, conference calls and other oral or written avenues.

Aside from that, we also:
- Encourage staff interaction with management and vice versa to facilitate information flow within the organisation
- Conduct regular formal and informal engagements with consultants, contractors and suppliers, which include technical progress meetings, performance reviews, market analysis and benchmarking
- Ensure public policy and regulatory compliance
- Invite customer feedback and conduct customer satisfaction surveys
- Engage in marketing and branding activities

Members of the management team are responsible for reviewing issues or concerns raised from these engagements, which are submitted together with the proposed solutions or mitigation plans directly to our Group Managing Director or the Board, if it becomes necessary.

SUSTAINABILITY STATEMENT (cont'd)

Below are the details of our stakeholder engagement activities in 2019 which help inform our material matters and business strategies:

Stakeholder Group (Importance)	Engagement Mode	Frequency	Material Topics	Engagement Outcomes
Shareholders/ Investors (High)	• General Meetings • Reports • Investor Briefings/ Press Release • Website • Announcements	• Annually • Quarterly • As and when required	• Audited financial statements • Re-appointment of Auditors and Directors • Directors' fees • Company prospects • Governance, policies and procedures • Material information disclosures • Changes in shareholdings • New issue of securities	• Good governance • Communication with shareholders and investors • Compliance with regulations • Timely disclosures • Transparency • Revision to Whistleblowing Policy
Customers (Critical)	• Marketing campaigns (leaflets, advertisements in the newspapers, Facebook and other internet/social media, participation in property exhibitions)	• As and when required	• Affordable housing solutions • Quality • Return on Investments	• Customer Appreciation events for CNY & Hari Raya • Handover events for completed projects in Desa Aman
Public/Government Agencies and Regulators (High)	• Online surveys • Meetings • Consultations	• As and when required	• Compliance • National agenda	• Compliance with relevant standards • Feedback regarding regulatory changes affecting the industry
Employees (Critical)	• Town hall Meetings • Management Meetings • Performance Appraisals • E-letters and Memos, WhatsApp Exchanges • Employee Engagement Activities (Festive Events, Monthly Walks, Lunches, Team Building and Annual Trip)	• Quarterly • Monthly • Half-yearly	• Competitive remuneration • Employee-friendly policies • Career development	• Reviewed and revised HR policies • Skills and talent development training • Succession planning In progress • Employee job satisfaction evaluations in development

SUSTAINABILITY STATEMENT (cont'd)

Stakeholder Group (Importance)	Engagement Mode	Frequency	Material Topics	Engagement Outcomes
Communities (Moderate)	• Meetings/Community Events	• Yearly • As and when required	• Responsible community engagement	• Corporate Social Responsibility activities
Suppliers (Moderate)	• Supplier Meetings • Procurement Activities • Assessments and Performance Review	• As and when required	• Transparent processes • Fair and timely payments	• Fair procurement practices • Competitively priced source materials
Industry Associations (High)	• Members' Events • Industry Forums	• Yearly • As and when required	• Participation in policy dialogue	• Enhanced company reputation • Exposed to industry trends • Expanded network of industry professionals
Media (Moderate)	• Meetings • Website and Social Media • Press Conferences and Interviews	• As and when required	• Credible information on Thriven including financial information • Sales and Marketing Activities	• Timely corporate updates • Enhanced company reputation • Enhanced sales

Materiality Matters

We have identified a number of material issues crucial to our value creation process in the short, medium and long term based on our day-to-day engagement with various stakeholders.

The assessment of these matters were done internally by identifying a broad range of potential material matters through stakeholder exchanges, examination of sustainability driven frameworks and the topics discussed in our previous sustainability disclosure. These are then deliberated, refined and prioritised based on its potential impact, likelihood of occurence and priority to stakeholders.

SUSTAINABILITY STATEMENT (cont'd)

The following is the streamlined list of Material Matters, which has been acknowledged by the Board and Management, and forms the structure of this Sustainability Statement:

Marketplace	
Quality & Value	• Provision of value-added services for all our developments • Adherence to international quality standards and compliance • Enhancing quality of life of our communities
Integrity	• Fair, transparent and ethical business conduct free from corruption and bribery • Fair and impartial procurement practices favouring local vendors • Provision of whistleblowing channels for staff to report unlawful business practices
Customer Engagement	• Regular engagement with our customers through various initiatives and channels
Risk Management	• Effective risk management and control systems to respond to changes in the operating environment
Workplace	
Codes, Policies and Handbooks	• Clear policies and procedures governing workplace behaviours
Recruitment	• Merit-based non-discriminatory hiring
Training and Development	• Investment in employee training, education, as well as professional and personal development
Employee Performance and Remuneration	• Structured and standardised periodic performance appraisal • Competitive employee remuneration and benefits based on performance • Recognition of outstanding performance and achievements through awards and other means of appreciation
Health and Safety	• Standardised HSE workplace policies and practices • Implementation of HSE training at project sites
Employee Engagement	• Regular engagement with employees through formal and informal channels, events and social bonding activities
Environment	
Environmental Management	• Conscientious use of construction materials and raw resources • Energy efficiency measures • Water conservation efforts • Reducing waste and ensuring efficient disposal of waste generated • Minimising noise pollution
Community	
Employee Volunteerism	• Encourage employee participation in Corporate Social Responsibility ("CSR") activities through volunteerism
CSR Initiatives	• Championing social causes and community outreach through CSR

SUSTAINABILITY
STATEMENT (cont'd)

MARKETPLACE

At Thriven, we are committed to maintaining an ethical and transparent business conduct and operating with integrity that contributes to a robust, competitive and fair marketplace.

Quality & Value

Thriven's continued success and sustainability depends on the trust and confidence our customers and home owners place in the quality of our development and our commitment to value creation.

As a responsible developer, Thriven goes beyond just building, selling and leaving after handover as our brand DNA dictates that we go through a complete cycle from planning, building construction to completed building/facility maintenance.

In this regard, our core businesses encompass a complete ecosystem made up of property development, investment holding of developed projects, facilities management and provision of hospitality services and lifestyle retail operations.

Value Added

All our purchasers are eligible to be part of our Lumi Hospitality services which aims to provide hassle-free living experiences, such as provision of on demand in-house housekeeping services, music teachers, masseurs and other professional services, so that residents do not have to travel too far to fulfil their needs and attend classes. Our customers can rest assured that we have filtered and screened these service providers for their safety and peace of mind.

On top of that, Lumi Hospitality also provides a lease management service, whereby investors/owners enjoy hassle-free tenancy management, with controlled rental rates managed by Lumi Hospitality. This ensures that owners will enjoy better returns on their investments.

Thriven's brand DNA sees us staying on to ensure that the management and upkeep of the buildings and facilities are performed well for the long term. This is an important aspect that most developers have ignored in Malaysia, compared to neighbouring countries which have emphasised on the importance of sustainability and maintenance in ensuring the quality of our developments are preserved over the long term.

Furthermore, our communities are built with environmental consciousness in mind and a diverse range of amenities are provided that cater to purchasers from different age groups. With all these ingredients in place, there will be more demand in the secondary market once the project is completed, which will yield higher capital appreciation compared to surrounding developments.

Quality Benchmarking

As part of our benchmarking to maintain top quality, our developments are assessed with QLASSIC, an industry standard of assessing and evaluating the workmanship quality of building projects. Our Residensi Enesta Kepong, which is a Wilayah Persekutuan Rumah Mampu Milik affordable homes project, achieved a QLASSIC score of 72 points whilst in 2019, the projects in Desa Aman have all scored 70 points and above.

We are proud that Thriven has won the following awards and recognitions for our developments, which are a testament to the quality of our design, workmanship and finishing.

- Lumi Tropicana: StarProperties.my Awards 2016 – The Best Touch & Feel Development
- Thriven Global Berhad Property Insight Prestigious Developers Awards 2018 – Best Boutique Developer
- Lumi Tropicana – Green Building Index (Provisional Gold)

Enhancing Quality of Life

In line with our "FORWARD LIVING" philosophy, we are committed to enhancing the living environment in all our developments and the quality of life of the communities we exist in. In FY2019, we made the decision to use re-engineered marble that is durable, easy to clean and requires low maintenance at the Lumi Tropicana's Lifestyle Tower, as opposed to natural marble which is porous and requires constant polishing. In addition, timber-patterned tiles were used as flooring to add character and warmth – this is chosen as they are not prone to scratches and do not need resealing which are typical for normal wooden flooring.

Integrity

Ethical Conduct

Thriven is committed to uphold fair and equitable workplace policies. We work in accordance with universal principles of equity, fairness and social justice. To promote and support an environment which values and affirms equal opportunity, diversity and inclusivity, our practices are governed by our Code of Conduct & Ethics.

Likewise, we also expect our supply chain partners to practise high ethical standards to ensure they support our business in a safe, ethical and efficient manner.

We also oppose all forms of corruption and bribery. Although we do not have an anti-corruption policy in place yet, we are working towards formulating one. We have begun the process by appointing a legal advisor to prepare the necessary documentation and procedures in place, pursuant to Section 17A of the MACC Act 2009.

Fair Procurement Practices

As a responsible corporate citizen, we support the marketplace where we operate and help boost the local economy. In 2019, 100% of our procurement budget were awarded to local suppliers. The total contract value awarded for the year under review was RM9.32 million for the central region, involving 4 contractors. For our northern region operations, a total of RM30.60 million of contracts were awarded to 2 contractors.

Whistleblowing

Our Whistleblowing Policy is intended to provide protection for staff who raise concerns in relation to irregular and unlawful practices. A copy is available on the Shared Server for easy reference. We are pleased to note that there is no case reported in 2019.

Customer Engagement

Our customers are the very foundation of our business sustainability. As such, we put customers at the forefront of everything we do whilst we strive to offer quality, premium and value-added services and experiences.

In FY2019, we have developed a Standard Operating Procedure to guide our Customer Relationship Management, which covers the key functions and tools available for customer relationship management, our loyalty programmes, and outlines the process for festive engagements, among other things.

Our frontline customer relationship managers are known as "Thrivers", who regularly engage with our customers through various channels to ensure customer satisfaction, and provide feedback for us to deliver better offerings and experiences expected of us.

In order to serve our customers better, our employees attended the "*Effective Communication and Listening Skills Towards Providing Excellent Customer Service*" and "*Complaint Management & Customer Satisfaction*" training programmes on 26 & 27 August 2019 and 2 August 2019 respectively.

Risk Management

Risk management is an integral part of Thriven's business operations which serves to minimise, monitor, and control the probability or impact of unfortunate events or to make full use of opportunities.

SUSTAINABILITY STATEMENT (cont'd)

The Group has a risk management framework and systematic process for identifying, evaluating, monitoring and managing its significant risks. At Thriven, the key risks that affect the company's sustainability come from the areas of cost management, sales and cashflow management.

The risk management process at Thriven takes into consideration changes in the regulatory, business and external environment, and includes reviewing and updating the system of internal controls. The Board, via the Audit & Risk Management Committee ("ARMC"), reviews this process every year.

The Group's risk management process is spearheaded by the Executive Risk Management Committee ("ERMC"), which is chaired by the Group Managing Director and consists of senior management and heads of departments of the Group.

Thriven's risk management framework incorporates elements drawn from ISO 31000: 2009 Risk Management – Principles and Guidelines, as well as the Enterprise Risk Management standard, which was published by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") in 2004.

In addition, as part of our strategies to mitigate sales risk, besides having a unique product, we also offer attractive sales packages to bring in buyers. With the strong progress and near completion of our Klang Valley projects, completion risk has been greatly reduced in the minds of our customers and helps to strengthen our sales pitch.

Lastly, to offset our risks, we do not rely solely on the sales of our development projects. The Group has three other related core businesses apart from property development – hospitality and lifestyle retail, property investment and facilities management. These three businesses will reduce our dependence on property development and provide us with recurring and eventually sustainable revenue streams.

WORKPLACE

Our employees represent the DNA of Thriven – they are key assets in realising the Group's vision and mission and in ensuring the long-term success and sustainability of our business, which is why we place a high priority in managing human capital at all levels to build an engaged, productive and loyal workforce for Thriven.

We make every effort to ensure our Human Resource ("HR") policies and guidelines are in compliance with all legislation and are designed to ensure we embrace diversity, inclusivity and equality in our workplace.

Codes, Policies and Handbooks

Our employees' conduct is guided by a collection of codes and policies, which are outlined in the Employee Handbook for employees' easy reference.

To enhance employee affinity with Thriven and build team cohesion, in FY2019, we have updated our Policy on Uniforms Standards to streamline our employees' appearance while providing flexibility in style. Depending on the staff, job function, nature of employment and suitability according to circumstances, we have six types of uniforms – corporate uniform, casual polo tee, dryfit T-shirt, bush jacket, security uniform, and cleaners/tea ladies uniforms.

We have also updated our Employee Referral Programme in FY2019 as part of our strategy to enhance talent attraction and retention, which is outlined in the Employee Performance and Remuneration.

Aside from that, revisions were also made to the Employee Handbook in FY2019, which is subject for review every 3 to 4 years or whenever necessary. Key revisions to the Employee Handbook pertains to:

- Board of Inquiry composition
- Terms relating to Off Days for sales employees working for six (6) consecutive days
- Language regarding the medical benefits

SUSTAINABILITY STATEMENT (cont'd)

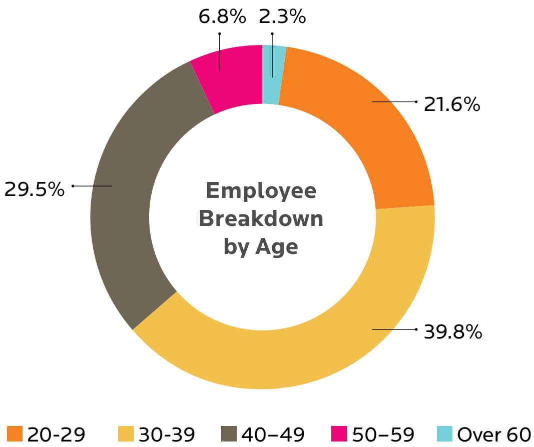
- Medical checkup requirement
- Salary entitlement of long service award recipients

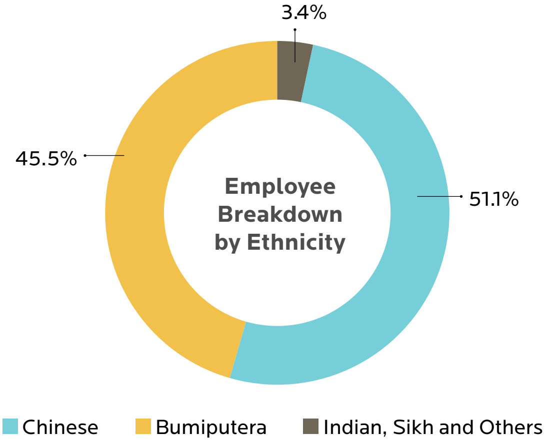
Recruitment
We ensure merit-based hiring in our recruitment process, emphasising on equal opportunity and promoting diversity of gender, race, and age to build a talent-based workforce representing a microcosm of Malaysia.

During the year in review, to further strengthen our recruitment efforts, a new background screening agency was engaged. It provides specialised services such as verification of Educational Qualifications, Financial Probity, Civil and Security Records, Watch Lists, Driving Violations, Employment History, Identity Verifications, Professional Memberships and Licenses, Corporate Directorship and more. This approach helps minimise risk and maximise efficiency in hiring candidates with a better fit for the company.

As of 31 December 2019, we have a total of 88 employees, which includes 24 new recruits (9 of whom joined and resigned in the same year), and the rehiring of a retired staff (retired on 15 March 2019, rehired on 17 June 2019).

A breakdown of our employee diversity is provided below:





Meanwhile, the majority of our 88 employees are males (60.2%). Of the total 53 male employees, 77.4% are in Executive and Management roles. It is interesting to note that although the Group's female employees are in the minority (35 persons), 94.3% of these women work in Executive and Management roles. In FY2019, the recorded turnover for the Group was 21.6%.

Training and Development
At Thriven, we place the utmost importance in the professional and personal growth of our employees. We believe that nurturing them professionally through upskilling will help them grow at their respective job functions, which in turn, help us grow our brand. Training and development opportunities also provide them with better career mobility prospects, helping to strengthen the competitiveness of our talent retention and recruitment process.

During the year under review, the Group spent a total of RM23,369 for such training and development purposes. Of this amount, RM15,663 was from Human Resources Development Fund ("HRDF") and RM7,706 was from Thriven's training budget.

With regard to the number of training hours allocated, Assistant Managers and above are allocated 24 hours/year, Executives have 48 hours/year, and Clerical/Non-Clerical are given 24 hours/year.

SUSTAINABILITY STATEMENT (cont'd)

Employee Performance and Remuneration
We provide competitive remuneration to reward employees based on merit and performance, with a multi-tiered reward system that includes competitive salary, benefits, and awards.

Performance Review Practices
All items listed in individual KPIs carry weightage of 70% from the total KPI scoring. The balance 30% scoring comes from the following:
- Team work within the department and inter-departments, ensuring positive assistance (10%)
- Achieving the KPI set for the department/ individual as well as the overall Company's KPI (15%)
- Attitude towards work, social skills and adherence to the Company's DNA based on the Thriven Employee Handbook and Thriven brandbook "The Power of Thriven" (5%)

In FY2019, all employees were appraised at Mid-Year and Year-End. During the year too, 100% of the employees underwent their annual reviews and were successfully appraised for their performance.

Employee Benefits
Employee benefits and policies available include health coverage, dental coverage, insurance, travel allowance, professional society membership, employee service award, education assistance, study leave, employee discounts, and maternity and paternity leave.

In the year under review, we increased the Referral Fee under our existing Employee Referral Programme by between 30% to 50% according to staff grade to further encourage recruitment recommendations from our staff.

The company is also rewarding employees with an exemplary attendance record – such as those with no sick, hospitalisation or maternity leave taken, no time slip or time off, and less than 5 days of emergency leave in an entire year – with an annual cash award.

This reward is intended to decrease absenteeism and lower the cost of healthcare claims, increase staff morale and encourage higher productivity.

Awards and Appreciation
Aside from competitive remuneration, Thriven recognises its outstanding employees with awards. In the Town Hall Meeting/Christmas and Year-End Dinner Party held on 13 December 2019 at Lumi Gallery, the awards were presented to:
- Best Employee Award – Mr. Edmund Seet, our Joint Company Secretary
- Finalist of Best Employee Award – Ms. Ang Chor Hoon from Group Finance and Treasury, Ms. Winnie Ong from Sales and Marketing Northern Region, and Cik Farah Dibba Roslam from Marketing Communications

Health and Safety
As a developer, health and safety practices are vital to the wellbeing of our employees and our business. Therefore, we constantly keep ourselves abreast with the latest Health, Safety and Environment ("HSE") regulations and reinforces this importance through constant training and monitoring. We have a set of policies and Standard Operating Procedures ("SOPs") on handling HSE matters.

We are pleased to note that our health and safety practices and training have been effective in ensuring that we had zero lost time incidents, accidents or fatalities in 2019.

Worksite Practices
As part of our health and safety practices, we ensure that every worker, site supervisor, clerk of works and visitors are equipped with SIRIM-approved personal protective equipment, such as safety helmets, reflective vests, safety boots, hand gloves, and dust masks.

SUSTAINABILITY
STATEMENT (cont'd)

For project contracts above RM20 million, the main contractor must provide a full-time safety officer at the site and submit a Health and Safety Report every month.

The main contractor is responsible for ensuring that every worker on site complies with Construction Industry Development Board ("CIDB") requirements, including possession of the necessary documentation such as CIDB's green card, whilst their competent safety officer inspects the scaffolding and marks it safe by placing a green tag on it. Aside from that, the main contractor is responsible for submitting the Health and Safety Report on a monthly basis. Vector control is also done by the main contractor, such as larvaciding work 3 times per week, fogging work 2 times per month, and house keeping 4 times per month at all our developments.

HSE Training

HSE training forms a key part of our occupational health and safety controls. At Thriven worksites, the main contractor is responsible for conducting induction and/or orientation for all new workers, site supervisors, and/or new clerks, which includes HSE briefings. A toolbox meeting is also conducted by the main contractor on a weekly basis – every Monday, Wednesday and Saturday – at the respective developments.

Employee Engagement

With a small workforce size and centralised offices, Thriven has fostered a close knit community among our employees using a range of formal and informal engagement channels.

Some of the employee engagement channels used in FY2019 are as follows:

- A total of 11 management meetings and 2 town hall meetings were held in 2019.
- WhatsApp Groups have been created for the relevant heads of departments, individual departments and ad-hoc committees and all staff to facilitate work and social communication.
- The Thriven HQ Gym Survey was launched to find out how many employees used the facility and what the employees think of having a gym in the office.
- Heads of Departments took the 16 Personalities Test to learn what really drives, inspire and worry the different personality types, helping the team to build more meaningful relationships within the departments.

At Thriven, we also work to provide a wholesome work environment that promotes work-life balance, incorporating various lifestyle initiatives such as healthier eating and living as well as recreational activities.

Below are some of the activities organised for employees in 2019:

- We organise staff gatherings periodically, where employees socialise over food and casual banter.

- Town hall meetings were held to keep employees abreast with company plans and developments.

SUSTAINABILITY STATEMENT (cont'd)

- On 29 August 2019, we invited Verdu Care Total Wellness Solution to conduct blood pressure test, quantum resonance test and give a health talk on "silent killers", focusing primarily on awareness and prevention of major diseases.

- A similar Walk in the Park activity was held at Taman Rekreasi PBAPP Bukit D.O. in Bukit Mertajam on 26 April and 26 July 2019, and Cherok Tokun Nature Park, Bukit Mertajam on 28 June 2019, for our Northern colleagues.

- Every last Friday of the month, weather permitting, we organise Thriven's Walk in the Park at Taman Rimba Kiara. For 2019, due to bad weather and haze, we managed to squeeze in three walks on 26 July, 30 August and 25 October 2019, from 4.30pm to 6.30pm.

- We celebrate staff birthdays every month with cakes and meals. Usually, these meals are cooked by our trained tea ladies.

SUSTAINABILITY STATEMENT (cont'd)

- Embracing the multi-cultural work culture, we celebrated Chinese New Year with a loh sang luncheon on 19 February 2019.

- Hari Raya celebration was held at our KL headquarters on 26 June 2019.

- We ended the year with a fun-filled Christmas party and gift exchange on 13 December 2019, which was held at the Lumi Sales Gallery, and simultaneously at our Northern Region office in Bukit Mertajam.

- Our Northern colleagues joined in on the festive celebrations via Skype from their office at Bukit Mertajam.

- We held a Farewell Party for our long serving retired staff, En. Harun, on 13 March 2019.

- A family trip to Phuket was organised for our Northern Region colleagues, which took place from 11 to 14 January 2019.

SUSTAINABILITY
STATEMENT (cont'd)

ENVIRONMENT

As a corporate citizen of the world, we have a responsibility to ensure that our actions today do not compromise the environment we leave behind for future generations. Therefore, Thriven is committed to minimising our direct and indirect impacts on the environment through our role as a property developer and manager. From masterplanning sustainable communities at the design, construction, furnishing and fittings phases, to occupancy and management of facilities, we are meticulous in monitoring and ensuring efficient resource consumption and waste management. We also endeavour to preserve the environment from possible pollution in both our project sites and corporate offices.

To that end, we observe strict compliance with the laws and regulations of the Department of Environment. We also incorporate eco-friendly concepts by integrating green features, technologies as well as practices into our sustainable projects and developments. For example, our LUMI Tropicana and ENESTA Kepong projects have incorporated rainwater harvesting systems into their respective developments, for water preservation.

While we do not have any official environment or green policy in place, all our contractors are to comply with the Green Building Index ("GBI") guidelines. Besides that, we have also organised green campaigns and participated in sustainability programmes as part of our efforts to promote environmental awareness.

Environmental Management

Our environmental resource and waste management initiatives for FY2019 were as follows:

Materials	• We eliminated the use of raw natural resources from nature, such as natural marble, granite and timber in our developments, in order to reduce our impact on scarce resources. • Over the years, we have improved our procurement and planning to ensure that more than half of our construction materials are from renewable sources.
Energy	• We have devised ways to reduce the use of energy and improve energy efficiency that will also translate into cost efficiency and money saved. • For example, in our projects, on the ground floor and the lift lobbies, we have incorporated extra openings to increase cross-ventilation and enhance natural lighting. In addition, we have integrated LED lighting in the car park, podium and common areas.
Water	• We have integrated rainwater harvesting systems into our property design. Used for watering plants and cleaning common areas, the collected rainwater reduces the need for us to use piped water, thus reducing pressure on freshwater resources. In this way, we contribute to the preservation of the area's precious water resources.
Waste	• We have improved our waste management system over the years. To ensure efficient waste disposal, our waste is managed by accredited contractors according to local regulations. At our project sites, the construction wastes generated were disposed according to guidelines prescribed by the local authorities and GBI standards. • Moreover, we extend the lifespan of the scaffolding and formworks by reusing them up for up to five times in our projects.
Noise	• To minimise noise pollution, we use low noise and vibration equipment. This is crucial as most of our projects are located in urban areas with large populations.

SUSTAINABILITY STATEMENT (cont'd)

COMMUNITY

Thriven believes in supporting and giving back to the communities in which it operates, and especially where our developments are located.

We strive to inculcate a sense of responsibility and accountability among our employees towards our various stakeholder groups and community members, in addition to their obligations to the organisation.

Employee Volunteerism

We encourage our employees to participate in the Group's community events through employee volunteerism as a means to build character and compassion for those less fortunate in alignment with Thriven's values and philosophy. It also serves as a good opportunity to foster closer bonding between colleagues while contributing to the community.

CSR Initiatives

In 2019, we have participated in several CSR events and programmes, such as:

- Thriven continued to be a "trail adopter" at the Kota Damansara Community Forest ("KDCF")
- Contribution of RM2,800 to KDCF

Meanwhile, Thriven also organised the following community engagement programmes:

- Chinese New Year celebration for eNESTa Kepong, on 24 February 2019.

- Pesta Raya Bersama eNESTa, on 16 June 2019.

- Blue Ribbon Artistry Photography Exhibition with Kid Chan on 25 August 2019.

- Anti-Aging Talk with Professor Dr. Mike Chan, on 19 October 2019.

- Distribution of stainless-steel reusable straw sets to visitors.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs) and the requirements of the Act.

The Directors are responsible to ensure that:-

(a) the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended;

(b) the Management has used suitable accounting policies and applied them consistently, made reasonable and prudent judgments and estimates, in the preparation of the financial statements on a going concern basis; and

(c) the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking such steps as are reasonably to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This statement is made in accordance with a resolution of the Board dated 12 May 2020.

Enesta Avenue @ Desa Aman

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and property investment.

The principal activities and other information of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	20,802	4,107
Attributable to:		
Owners of the parent	16,938	4,107
Non-controlling interests	3,864	–
	20,802	4,107

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the financial year ended 31 December 2019.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 497,242,726 to 546,942,726 by way of issuance of 49,700,000 new ordinary shares pursuant to the following:

(i) 17,000,000 ordinary shares for private placement at RM0.205 each for cash, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 25 January 2019.

(ii) 32,700,000 ordinary shares for private placement at RM0.195 each for cash, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 15 March 2019.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT (cont'd)

WARRANTS

On 6 October 2015, the Company issued 188,349,562 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company, after completion of the bonus issue of ordinary shares. The warrants were listed on Bursa Malaysia Securities Berhad on 13 October 2015.

On 13 September 2018, the Company issued additional 60,271,743 free warrants arising from the adjustment made pursuant to the bonus issue of ordinary shares. The additional warrants were listed on the Bursa Malaysia on 14 September 2018.

Salient features of the warrants are as follows:

(a) each warrant entitles its registered holder thereof ('warrant holders') to subscribe for one (1) new ordinary share in the Company at an adjusted exercise price of RM0.48 per share (original exercise price: RM0.64 per share), subject to the adjustments in accordance with the provisions of the Deed Poll constituting the warrants; and

(b) The tenure of the warrants is five (5) years, with the expiry date on 5 October 2020 and the warrants can be exercised during the period. Warrants not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.

The movements of the warrants of the Company during the financial year are as follows:

Adjusted exercise price per ordinary share	Number of warrants outstanding		
	Balance as at 1.1.2019	Exercised	Balance as at 31.12.2019
RM0.48	248,621,305	–	248,621,305

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Datuk Fakhri Yassin bin Mahiaddin
Ghazie Yeoh bin Abdullah*
Dato' Low Keng Siong*
Lim Kok Beng
Henry Choo Hon Fai
Rewi Hamid Bugo
Lee Eng Leong

* Directors of the Company and its subsidiaries

Pursuant to Section 253 of Companies Act 2016 in Malaysia, the Directors of the subsidiaries of the Company who have held office during the financial year and up to the date of this report are as follows:

Augustone Cheong Kwok Fai
Tunku Zainol bin Tengku Izham
Che Hasnadi bin Che Hassan
Ramzia binti Arshad (Alternate Director to Tunku Zainol bin Tengku Izham)
Teoh Kong Haur (Appointed on 4 February 2020)

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 December 2019 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
Shares in the Company	Balance as at 1.1.2019	Bought	Sold	Balance as at 31.12.2019
Direct interests				
Ghazie Yeoh bin Abdullah	23,939,619	–	–	23,939,619
Dato' Low Keng Siong	50,264,610	–	–	50,264,610
Rewi Hamid Bugo	1,349,700	–	–	1,349,700
Lim Kok Beng	–	100,000	–	100,000
Deemed interests				
Datuk Fakhri Yassin bin Mahiaddin [1]	148,524,802	–	–	148,524,802
Rewi Hamid Bugo [2]	488,400	–	–	488,400

	Number of warrants			
Warrants in the Company	Balance as at 1.1.2019	Acquired	Sold	Balance as at 31.12.2019
Direct interests				
Ghazie Yeoh bin Abdullah	7,443,433	–	–	7,443,433
Dato' Low Keng Siong	24,406,588	–	–	24,406,588
Rewi Hamid Bugo	410,850	–	–	410,850
Deemed interests				
Datuk Fakhri Yassin bin Mahiaddin [1]	74,262,503	–	–	74,262,503

[1] Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his shareholding in Ketapang Capital Sdn. Bhd..

[2] Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his shareholding in Santubong Properties Sdn. Bhd..

By virtue of his substantial interests in the ordinary shares of the Company, Datuk Fakhri Yassin bin Mahiaddin is also deemed interested in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and warrants of the Company or options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests.

DIRECTORS' REPORT (cont'd)

DIRECTORS' BENEFITS (continued)

The details of the above transactions are disclosed in Note 31 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the warrants issued by the Company.

DIRECTORS' REMUNERATION

The details of remuneration paid and payable to the Directors of the Group and of the Company for the financial year are as follows:

	Group and Company	
	2019 RM'000	2018 RM'000
Executive:		
- Salaries and other emoluments	**2,285**	2,296
Non-executive:		
- Directors' fees	**154**	154
- Other emoluments	**24**	18
	178	172
Total	**2,463**	2,468

Included in Directors' remuneration of the Group and of the Company are estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company during the financial year amounted to RM94,000 (2018: RM106,000).

Remuneration paid and payable to the Directors of the Group and of the Company for the financial year, analysed into bands of RM50,000 are as follows:

	Number of Directors	
	2019	2018
Executive:		
RM700,000 - RM750,000	**1**	1
RM650,000 - RM700,000	**1**	1
RM500,000 - RM550,000	**1**	1
	3	3
Non-executive:		
Below RM50,000	**4**	4

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

The total amount of insurance premium effected for the Directors and officers of the Group and of the Company were RM23,118 for the financial year.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

  (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

  (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

  (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

  (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2019 amounted to RM51,000 and RM121,500 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Datuk Fakhri Yassin bin Mahiaddin
Director

Ghazie Yeoh bin Abdullah
Director

Kuala Lumpur
12 May 2020

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 91 to 167 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Datuk Fakhri Yassin bin Mahiaddin
Director

Ghazie Yeoh bin Abdullah
Director

Kuala Lumpur
12 May 2020

STATUTORY DECLARATION

I, Augustone Cheong Kwok Fai (CA 39083), being the officer primarily responsible for the financial management of Thriven Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 91 to 167 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Petaling Jaya this)
12 May 2020) **Augustone Cheong Kwok Fai**

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thriven Global Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 91 to 167.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a. Property development revenue recognition

Revenue from property development activities during the financial year as disclosed in Note 22 to the financial statements is RM236,100,000.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Incorporated in Malaysia)

Key Audit Matters (continued)

a. Property development revenue recognition (continued)

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

Our audit procedures included the following:

(i) reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

(ii) recomputed transaction prices based on historical profit margins of the Group, and compare these transaction prices allocated to profit margins of similar contracts subsequent to the end of the reporting period;

(iii) recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs;

(iv) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;

(v) inspected documentation to support cost estimates made including contract variations and cost contingencies; and

(vi) compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls.

b. Recoverability of trade receivables

As at 31 December 2019, the Group had trade receivables amounted to RM13,688,000, which was net of impairment loss of RM1,160,000. The details of trade receivables and its credit risks have been disclosed in Note 11 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Our audit procedures included the following:

(i) recomputed the probability of default using historical data and forward looking information adjustment applied by the Group;

(ii) recomputed the correlation coefficient between the macroeconomic indicators set by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and

(iii) inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there is no key audit matter to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THRIVEN GLOBAL BERHAD (cont'd)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Ho Kok Khiaw
03412/02/2021 J
Chartered Accountant

Kuala Lumpur
12 May 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	**7,777**	7,966	**3,481**	2,935
Investment properties	7	**26,263**	825	**–**	825
Investments in subsidiaries	8	**–**	–	**84,346**	84,346
Goodwill	9	**5,314**	5,314	**–**	–
Inventories	10	**30,398**	33,502	**–**	–
Trade and other receivables	11	**–**	–	**40,430**	–
Deferred tax assets	16	**490**	–	**–**	–
		70,242	47,607	**128,257**	88,106
Current assets					
Inventories	10	**195,471**	245,796	**–**	–
Trade and other receivables	11	**16,291**	19,946	**128,504**	120,771
Contract assets	12	**124,381**	57,751	**–**	–
Current tax assets		**622**	1,059	**–**	–
Cash and bank balances	13	**16,701**	11,053	**332**	302
		353,466	335,605	**128,836**	121,073
TOTAL ASSETS		**423,708**	383,212	**257,093**	209,179
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	**59,586**	49,724	**59,586**	49,724
Reserves	15	**144,257**	129,218	**122,564**	118,457
		203,843	178,942	**182,150**	168,181
Non-controlling interests	8(e)	**585**	(3,279)	**–**	–
TOTAL EQUITY		**204,428**	175,663	**182,150**	168,181

STATEMENTS OF FINANCIAL POSITION (cont'd)
as at 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	16	–	406	–	–
Borrowings	17	8,304	23,696	4,000	2,645
Lease liabilities	21	1,197	–	1,183	–
Redeemable preference shares	20	2,493	2,493	–	–
		11,994	26,595	5,183	2,645
Current liabilities					
Borrowings	17	100,787	98,523	45,492	28,796
Trade and other payables	19	99,220	76,710	22,391	9,538
Contract liabilities	12	3,419	5,030	–	–
Lease liabilities	21	1,368	–	1,251	–
Current tax liabilities		2,492	691	626	19
		207,286	180,954	69,760	38,353
TOTAL LIABILITIES		219,280	207,549	74,943	40,998
TOTAL EQUITY AND LIABILITIES		423,708	383,212	257,093	209,179

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Revenue	22	**236,408**	239,079	**5,659**	5,289
Cost of sales	23	**(184,410)**	(191,715)	**(7)**	(43)
Gross profit		**51,998**	47,364	**5,652**	5,246
Other income	24	**2,445**	1,714	**13,424**	7,493
Other expenses	25	**(21,571)**	(19,200)	**(10,686)**	(12,419)
Operating profit		**32,872**	29,878	**8,390**	320
Finance costs	26	**(3,617)**	(2,509)	**(3,189)**	(2,067)
Profit/(Loss) before tax		**29,255**	27,369	**5,201**	(1,747)
Tax expense	28	**(8,453)**	(5,849)	**(1,094)**	(375)
Profit/(Loss) for the financial year		**20,802**	21,520	**4,107**	(2,122)
Other comprehensive income, net of tax		**–**	–	**–**	–
Total comprehensive income/(loss) for the financial year		**20,802**	21,520	**4,107**	(2,122)
Profit/(Loss) for the financial year/ Total comprehensive income/(loss) attributable to:					
Owners of the parent		**16,938**	20,395	**4,107**	(2,122)
Non-controlling interests	8(e)	**3,864**	1,125	**–**	–
		20,802	21,520	**4,107**	(2,122)
Earnings per ordinary share attributable to equity holders of the Company					
Basic/Diluted (sen per share)	29	**3.14**	4.10		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2019

	Note
Group	
Balance as at 1 January 2018	
Profit for the financial year	
Other comprehensive income, net of tax	
Total comprehensive income	
Transactions with owners	
Acquisition of shares by non-controlling interests of a subsidiary	
Issuance of ordinary shares pursuant to bonus issue	14
Total transactions with owners	
Balance as at 31 December 2018	

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 December 2019

Non-distributable			*Distributable*			
Share capital RM'000	**Warrant reserve RM'000**	**Capital reserve RM'000**	**Retained earnings RM'000**	**Total attributable to owners of the parent RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
44,852	14,126	89,559	9,575	158,112	(3,973)	154,139
–	–	–	20,395	20,395	1,125	21,520
–	–	–	–	–	–	–
–	–	–	20,395	20,395	1,125	21,520
–	–	–	435	435	(431)	4
4,872	–	–	(4,872)	–	–	–
4,872	–	–	(4,437)	435	(431)	4
49,724	**14,126**	**89,559**	**25,533**	**178,942**	**(3,279)**	**175,663**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 December 2019

	Note
Group	
Balance as at 1 January 2019	
Impact of adoption of MFRS 16	34
At 1 January 2019, restated	
Profit for the financial year	
Other comprehensive income, net of tax	
Total comprehensive income	
Transactions with owners	
Issuance of ordinary shares pursuant to private placements	14
Total transactions with owners	
Balance as at 31 December 2019	

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 December 2019

← Non-distributable →			Distributable			
Share capital RM'000	Warrant reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
49,724	14,126	89,559	25,533	178,942	(3,279)	175,663
–	–	–	(1,899)	(1,899)	–	(1,899)
49,724	14,126	89,559	23,634	177,043	(3,279)	173,764
–	–	–	16,938	16,938	3,864	20,802
–	–	–	–	–	–	–
–	–	–	16,938	16,938	3,864	20,802
9,862	–	–	–	9,862	–	9,862
9,862	–	–	–	9,862	–	9,862
59,586	**14,126**	**89,559**	**40,572**	**203,843**	**585**	**204,428**

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2019

	Note	Non-distributable Share capital RM'000	Non-distributable Warrant reserve RM'000	Non-distributable Capital reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company						
Balance as at 1 January 2018		44,852	14,126	83,203	28,122	170,303
Loss for the financial year		–	–	–	(2,122)	(2,122)
Other comprehensive income, net of tax		–	–	–	–	–
Total comprehensive loss		–	–	–	(2,122)	(2,122)
Transaction with owners						
Issuance of ordinary shares pursuant to bonus issue	14	4,872	–	–	(4,872)	–
Total transaction with owners		4,872	–	–	(4,872)	–
Balance as at 31 December 2018		**49,724**	**14,126**	**83,203**	**21,128**	**168,181**

	Note	Non-distributable Share capital RM'000	Non-distributable Warrant reserve RM'000	Non-distributable Capital reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company						
Balance as at 1 January 2019		49,724	14,126	83,203	21,128	168,181
Profit for the financial year		–	–	–	4,107	4,107
Other comprehensive income, net of tax		–	–	–	–	–
Total comprehensive income		–	–	–	4,107	4,107
Transactions with owners						
Issuance of ordinary shares pursuant to private placements	14	9,862	–	–	–	9,862
Total transactions with owners		9,862	–	–	–	9,862
Balance as at 31 December 2019		**59,586**	**14,126**	**83,203**	**25,235**	**182,150**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		**29,255**	27,369	**5,201**	(1,747)
Adjustments for:					
Depreciation of:					
- property, plant and equipment	6	**3,555**	2,369	**1,746**	838
- investment properties	7	**4**	27	**4**	27
Gain on disposal of investment properties	24	**(1,214)**	–	**(1,214)**	–
Impairment losses on:					
- amounts due from subsidiaries	11(h)	**–**	–	**–**	628
- investment in a subsidiary	8(c)	**–**	–	**–**	856
- trade and other receivables	11(h)	**739**	–	**–**	–
- contract assets	12(d)	**-**	109	**–**	–
Property, plant and equipment written off	6	**283**	–	**283**	–
Reversal of impairment losses on:					
- amounts due from subsidiaries	11(h)	**–**	–	**(3,021)**	(480)
- trade and other receivables	11(h)	**(37)**	(1,125)	**–**	–
- contract assets	12(d)	**(250)**	(8)	**–**	–
Finance costs	26	**3,617**	2,509	**3,189**	2,067
Interest income	24	**(190)**	(241)	**(9,188)**	(7,011)
Bad debts written off		**–**	30	**–**	–
Operating profit/(loss) before changes in working capital		**35,762**	31,039	**(3,000)**	(4,822)

STATEMENTS OF
CASH FLOWS (cont'd)
for the financial year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Working capital changes:					
Inventories		**27,166**	39,024	**–**	–
Trade and other receivables		**2,953**	6,232	**(5,559)**	(86)
Contract assets		**(66,380)**	(21,693)	**–**	–
Trade and other payables		**25,414**	12,999	**298**	49
Contract liabilities		**(4,109)**	5,030	**–**	–
Related parties		**(2,904)**	(26,739)	**–**	–
Cash generated from/(used in) operations		**17,902**	45,892	**(8,261)**	(4,859)
Interest paid		**(2,628)**	(2,509)	**(2,149)**	(1,438)
Tax refunded		**1,110**	–	**39**	–
Tax paid		**(7,622)**	(7,197)	**(526)**	(92)
Net cash from/(used in) operating activities		**8,762**	36,186	**(10,897)**	(6,389)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additional investments in subsidiaries		**–**	–	**–**	(159)
Additions to investment properties under construction	7	**–**	(2,201)	**–**	–
Advances to subsidiaries		**–**	–	**(18,718)**	(8,237)
Interest received	24	**190**	241	**6**	14
Proceeds from disposal of investment properties		**2,035**	–	**2,035**	–
Purchase of property, plant and equipment	6	**(909)**	(728)	**(82)**	(45)
Net cash from/(used in) investing activities		**1,316**	(2,688)	**(16,759)**	(8,427)

STATEMENTS OF CASH FLOWS (cont'd)

for the financial year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdowns/(Repayments) of:					
- borrowings		**6,692**	(41,590)	**18,847**	10,750
- hire purchase creditors		**–**	(215)	**–**	(215)
Issuance of redeemable preference shares to non-controlling interest by a subsidiary	20	**–**	2,493	**–**	–
Ordinary share capital contributed by non-controlling interest of a subsidiary	8(d)(ii)	**–**	4	**–**	–
Payments of lease liabilities	21(b)	**(1,477)**	–	**(1,350)**	–
(Placements)/Withdrawals of:					
- fixed deposits pledged with licensed banks		**(223)**	(102)	**(6)**	298
- fixed deposit placed with a licensed bank with maturity of more than three (3) months		**–**	140	**–**	–
Proceeds from issuance of ordinary shares	14	**9,862**	–	**9,862**	–
Net cash from/(used in) financing activities		**14,854**	(39,270)	**27,353**	10,833
Net increase/(decrease) in cash and cash equivalents		**24,932**	(5,772)	**(303)**	(3,983)
Cash and cash equivalents at beginning of financial year		**(12,706)**	(6,934)	**(3,223)**	760
Cash and cash equivalents at end of financial year	13	**12,226**	(12,706)	**(3,526)**	(3,223)

STATEMENTS OF
CASH FLOWS (cont'd)
for the financial year ended 31 December 2019

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	
At 1 January 2019, as previously reported	
Effects of adoption of MFRS 16	
At 1 January 2019, as restated	
Cash flows	
Non-cash flows:	
- Unwinding of interest	
At 31 December 2019	

STATEMENTS OF CASH FLOWS (cont'd)

for the financial year ended 31 December 2019

Term loans (Note 17) RM'000	Bridging loans (Note 17) RM'000	Revolving credits (Note 17) RM'000	Hire purchase creditors (Note 18) RM'000	Other (Note 17) RM'000	Total borrowings excluding bank overdrafts RM'000	Lease liabilities (Note 21) RM'000
20,950	51,744	25,300	1,123	–	99,117	–
–	–	–	(1,123)	–	(1,123)	3,863
20,950	51,744	25,300	–	–	97,994	3,863
(15,353)	(40,444)	35,525	–	26,964	6,692	(1,477)
–	–	–	–	810	810	179
5,597	**11,300**	**60,825**	**–**	**27,774**	**105,496**	**2,565**

STATEMENTS OF CASH FLOWS (cont'd)
for the financial year ended 31 December 2019

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Term loans (Note 17) RM'000	Revolving credits (Note 17) RM'000	Hire purchase creditors (Note 18) RM'000	Total borrowings excluding bank overdrafts RM'000	Lease liabilities (Note 21) RM'000
Company					
At 1 January 2019, as previously reported	1,750	25,300	1,123	28,173	–
Effects of adoption of MFRS 16	–	–	(1,123)	(1,123)	3,616
At 1 January 2019, as restated	1,750	25,300	–	27,050	3,616
Cash flows	3,847	15,000	–	18,847	(1,350)
Non-cash flows:					
- Unwinding of interest	–	–	–	–	168
At 31 December 2019	**5,597**	**40,300**	**–**	**45,897**	**2,434**

	Term loans (Note 17) RM'000	Bridging loans (Note 17) RM'000	Revolving credits (Note 17) RM'000	Total borrowings excluding bank overdrafts and hire purchase creditors RM'000	Hire purchase creditors (Note 18) RM'000
Group					
At 1 January 2018	73,607	49,677	16,300	139,584	1,338
Cash flows	(52,657)	2,067	9,000	(41,590)	(215)
At 31 December 2018	20,950	51,744	25,300	97,994	1,123

	Term loans (Note 17) RM'000	Revolving credits (Note 17) RM'000	Total borrowings excluding bank overdrafts and hire purchase creditors RM'000	Hire purchase creditors (Note 18) RM'000
Company				
At 1 January 2018	–	16,300	16,300	1,338
Cash flows	1,750	9,000	10,750	(215)
At 31 December 2018	1,750	25,300	27,050	1,123

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

1. CORPORATE INFORMATION

Thriven Global Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Level 23A, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 December 2019 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 12 May 2020.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and property investment. The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34 to the financial statements.

The Group and the Company applied MFRS 16 *Leases* for the first time during the current financial year, using the cumulative effect method as at 1 January 2019. Consequently, the comparative information were not restated and are not comparable to the financial information of the current financial year.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the strategic business units of the Group. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the reportable segments of the Group:

(a) Property development
(b) Property investment
(c) Investment holding and others

Performance is measured based on segment profit before tax ('Segment Profit') as included in the internal management reports that are reviewed by the Group Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(a) Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment assets are used to measure the return of assets of each segment.

(b) Segment liabilities

Segment liabilities are measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment liabilities are used to measure the gearing of each segment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

4. OPERATING SEGMENTS (continued)

	Property development RM'000	Property investment RM'000	Investment holding and others RM'000	Total RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
2019						
Revenue						
Revenue from external customers	236,100	19	289	236,408	–	236,408
Inter-segment revenue	–	–	6,080	6,080	(6,080)	–
Total revenue	236,100	19	6,369	242,488	(6,080)	236,408
Results						
Interest income	1,439	–	9,188	10,627	(10,437)	190
Finance costs	(3,991)	–	(3,574)	(7,565)	3,948	(3,617)
Net finance (costs)/income	(2,552)	–	5,614	3,062	(6,489)	(3,427)
Depreciation of property, plant and equipment and investment properties	1,807	4	1,748	3,559	–	3,559
Gain on disposal of investment properties	–	–	1,214	1,214	–	1,214
Segment profit before tax	30,395	12	5,474	35,881	(6,626)	29,255
Assets						
Additions to non-current assets	1,088	–	84	1,172	–	1,172
Segment assets	420,673	27,367	323,493	771,533	(347,825)	423,708
Liabilities						
Segment liabilities	340,679	27,774	95,663	464,116	(244,836)	219,280

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

4. OPERATING SEGMENTS (continued)

	Property development RM'000	Property investment RM'000	Investment holding and others RM'000	Total RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
2018						
Revenue						
Revenue from external customers	238,292	114	673	239,079	–	239,079
Inter-segment revenue	–	–	5,699	5,699	(5,699)	–
Total revenue	238,292	114	6,372	244,778	(5,699)	239,079
Results						
Interest income	858	–	7,012	7,870	(7,629)	241
Finance costs	(2,600)	–	(2,067)	(4,667)	2,158	(2,509)
Net finance (costs)/ income	(1,742)	–	4,945	3,203	(5,471)	(2,268)
Depreciation of property, plant and equipment and investment properties	1,530	27	839	2,396	–	2,396
Segment profit/ (loss) before tax	25,670	71	(1,284)	24,457	2,912	27,369
Assets						
Additions to non-current assets	3,103	–	49	3,152	–	3,152
Segment assets	389,000	825	255,181	645,006	(261,794)	383,212
Liabilities						
Segment liabilities	331,917	–	42,591	374,508	(166,959)	207,549

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

4. OPERATING SEGMENTS (continued)

Reportable segment profit or loss, assets and liabilities of the Group are as follows:

	2019 RM'000	2018 RM'000
Profit for the financial year		
Segment profit	29,255	27,369
Tax expense	(8,453)	(5,849)
Profit for the financial year per consolidated statement of profit or loss and other comprehensive income	20,802	21,520
Additions to non-current assets		
Investment properties	–	2,201
Properties held for development	263	223
Property, plant and equipment	909	728
	1,172	3,152
Assets		
Total assets for reportable segments per consolidated statement of financial position	423,708	383,212
Current tax assets	622	1,059
Deferred tax assets	490	–
Liabilities		
Total liabilities for reportable segments per consolidated statement of financial position	219,280	207,549
Current tax liabilities	2,492	691
Deferred tax liabilities	–	406

Geographical segments

Segment information relating to geographical areas of operation has not been presented as the Group operates only in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

5. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The objectives of the Group when managing capital is to maintain a strong capital base and safeguard the ability of the Group to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2019 and 31 December 2018.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, lease liabilities and trade and other payables less cash and bank balances. Capital represents equity attributable to the owners of the parent. The net debt-to-equity ratios as at 31 December 2019 and 31 December 2018 are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Borrowings	109,091	122,219	49,492	31,441
Lease liabilities	2,565	–	2,434	–
Trade and other payables	99,220	76,710	22,391	9,538
Less: Cash and bank balances	(16,701)	(11,053)	(332)	(302)
Net debt	194,175	187,876	73,985	40,677
Total capital	203,843	178,942	182,150	168,181
Net debt	194,175	187,876	73,985	40,677
Total	398,018	366,818	256,135	208,858
Ratio	49%	51%	29%	19%

Pursuant to the requirements of Practice Note No. 17/2005 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equal to twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2019.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial risk management objectives and policies

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

5. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

The Group is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The exposure to credit risk of the Group arises principally from its receivables from customers. The exposure to credit risk of the Company arises principally from loans and advances to subsidiaries.

The credit risk concentration profiles have been disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company would encounter difficulty in meeting financial obligations due to shortage of funds. The exposure to liquidity and cash flow risk of the Group and of the Company arises primarily from mismatches of the maturities of financial assets and liabilities. The objective of the Group and of the Company is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 17, 19 and 21 to the financial statements.

(iii) Interest rate risk

The fixed rate borrowings of the Group is exposed to a risk of change in their fair value due to changes in interest rates. The variable rate borrowings of the Group are exposed to a risk of change in cash flows due to changes in interest rates. The short term receivables and payables are not significantly exposed to interest rate risk.

The income and operating cash flows of the Group are substantially independent of changes in market interest rate. Interest rate exposure arises from the borrowings and deposits of the Group and is managed through the use of fixed and floating rate borrowings and deposits. The Group does not use derivative financial instruments to hedge its interest rate risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 11, 13, 17, 19 and 21 to the financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	Land and buildings RM'000
Group		
2019		
Carrying amount		
As at 1 January 2019		4,398
Effects of adoption of MFRS 16	34	–
Additions		264
Written off		(283)
Depreciation charge for the financial year	25	(1,362)
Reclassifications		342
As at 31 December 2019		3,359
Cost		8,246
Accumulated depreciation		(4,887)
Carrying amount		3,359

	Note
Group	
2018	
Carrying amount	
As at 1 January 2018	
Additions	
Depreciation charge for the financial year	25
Reclassification	
As at 31 December 2018	
Cost	
Accumulated depreciation	
Carrying amount	

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Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Subtotal RM'000	Right-of-use assets: Buildings RM'000	Right-of-use assets: Motor vehicles RM'000	Total RM'000
1,003	1,793	772	7,966	–	–	7,966
(948)	–	–	(948)	2,740	948	2,740
–	224	421	909	–	–	909
–	–	–	(283)	–	–	(283)
(41)	(646)	–	(2,049)	(1,118)	(388)	(3,555)
–	20	(362)	–	–	–	–
14	1,391	831	5,595	1,622	560	7,777
337	4,814	831	14,228	2,740	1,940	18,908
(323)	(3,423)	–	(8,633)	(1,118)	(1,380)	(11,131)
14	1,391	831	5,595	1,622	560	7,777

Land and buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
5,057	1,433	2,382	735	9,607
351	–	149	228	728
(1,201)	(430)	(738)	–	(2,369)
191	–	–	(191)	–
4,398	1,003	1,793	772	7,966
8,160	2,277	4,570	772	15,779
(3,762)	(1,274)	(2,777)	–	(7,813)
4,398	1,003	1,793	772	7,966

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
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6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Note
Company	
2019	
Carrying amount	
As at 1 January 2019	
Effects of adoption of MFRS 16	34
Additions	
Written off	
Depreciation charge for the financial year	25
As at 31 December 2019	
Cost	
Accumulated depreciation	
Carrying amount	

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
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				←Right-of-use assets→		
Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Subtotal RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
1,156	982	797	2,935	–	–	2,935
–	(948)	–	(948)	2,493	948	2,493
49	–	33	82	–	–	82
(283)	–	–	(283)	–	–	(283)
(180)	(22)	(159)	(361)	(997)	(388)	(1,746)
742	12	671	1,425	1,496	560	3,481
1,323	107	1,938	3,368	2,493	1,940	7,801
(581)	(95)	(1,267)	(1,943)	(997)	(1,380)	(4,320)
742	12	671	1,425	1,496	560	3,481

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Note	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Company					
2018					
Carrying amount					
As at 1 January 2018		1,336	1,391	1,001	3,728
Additions		–	–	45	45
Depreciation charge for the financial year	25	(180)	(409)	(249)	(838)
As at 31 December 2018		1,156	982	797	2,935
Cost		1,795	2,047	1,905	5,747
Accumulated depreciation		(639)	(1,065)	(1,108)	(2,812)
Carrying amount		1,156	982	797	2,935

(a) Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

(b) All items of property, plant and equipment, except for right-of-use assets, are initially measured at cost. Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied for the business of the Group. The principal annual depreciation rates used are as follows:

Land and buildings	2% - 20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 33%

Capital work-in-progress consists of office shop lots under construction for intended use as office premises. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to capital work-in-progress. Capital work-in-progress are not depreciated until such time when the assets are available for use.

(c) In the previous financial year, included in property, plant and equipment of the Group and of the Company were assets acquired under hire purchase arrangements with a carrying amount of RM948,000. Upon adoption of MFRS 16 on 1 January 2019, assets acquired under hire purchase arrangements were reclassified to right-of-use assets.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

7. INVESTMENT PROPERTIES

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Investment properties		–	825	–	825
Investment properties under construction		26,263	–	–	–
		26,263	825	–	825
Investment properties pledged as securities	17	26,263	–	–	–

(a) Details of the investment properties are as follows:

	Group and Company 2019 RM'000	Group and Company 2018 RM'000
Investment properties		
Carrying amount		
As at 1 January	825	852
Disposal	(821)	–
Depreciation charge for the financial year	(4)	(27)
As at 31 December	–	825
Cost	–	1,304
Accumulated depreciation	–	(479)
	–	825

	Note	Group 2019 RM'000	Group 2018 RM'000
Investment properties under construction			
Carrying amount			
As at 1 January		–	5,918
Additions		–	2,201
Transfer from/(to) inventories	10(a)(ii)	26,263	(8,119)
As at 31 December		26,263	–
Cost		26,263	–
Accumulated depreciation		–	–
		26,263	–

7. INVESTMENT PROPERTIES (continued)

(b) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight line basis over their estimated useful lives. The depreciation rate for investment properties is 2.00% per annum. Investment properties under construction are not depreciated until such time when the assets are available for use.

(c) Investment properties of the Group comprise leasehold buildings.

(d) Investment properties are properties, which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

(e) The cost of investment properties under construction included the cost of materials, direct labour and other costs directly attributable to bringing the investment properties to a working condition for their intended use.

(f) On 14 June 2018, Mayfair Ventures Sdn. Bhd. ('MVSB') entered into a Sale and Purchase Agreement ('SPA') to dispose its retail space in Lumi Tropicana which is under construction to a third party ('Purchaser') for a total cash consideration of RM34,716,981.

On the same date, Lumi Hospitality Sdn. Bhd. ('LHSB') entered into a Tenancy Agreement with the Purchaser to immediately leaseback the retail space for a lease period of ten (10) years. In addition, MVSB and the Purchaser had also entered into a buyback option agreement, whereby the Purchaser has the option to request MVSB to repurchase the retail space at least three (3) months prior to the expiry of the lease period at the original selling price of RM34,716,981.

The above arrangement has been determined as a sale and leaseback arrangement in accordance with MFRS 16 *Leases* and the disposal of the retail space also did not satisfy the requirements of MFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale of asset. Therefore, the above arrangement constitutes a financing arrangement. Accordingly, the Group continues to recognise the Lumi Tropicana retail space under construction in its financial statements and is reclassified as an investment property as at 31 December 2019.

Disposal proceeds received from the Purchaser, which represent the progress billings received amounted to RM27,773,585 as at 31 December 2019, has been accounted for as financial liability in accordance with MFRS 9 *Financial Instruments* as disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

7. INVESTMENT PROPERTIES (continued)

(g) The fair value of investment properties of the Group and of the Company were categorised as follows:

Buildings	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2019	**–**	**–**	**26,263**	**26,263**
2018	–	–	2,757	2,757
Company				
2018	–	–	2,757	2,757

(i) There are no transfers between Level 1, Level 2, and Level 3 fair value measurements during the financial years ended 31 December 2019 and 31 December 2018.

(ii) The fair value of the investment properties except investment properties under construction was determined using comparison method by the management. The comparison method entailed comparing the property with comparable properties, which had been sold or are being offered for sale.

Assessment of the fair values of the investment properties of the Group is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessments undertaken.

As at end of the financial year, the Group has determined that the fair value of investment properties under construction is not reliably determinable and expects the fair value of the properties to be reliably determinable when construction is complete. Therefore, the Group discloses the fair value of investment properties under construction at its costs.

(h) The investment properties under construction have been charged to a financial institution as disclosed in Note 17 to the financial statements.

(i) The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

	Group and Company	
	2019 RM'000	2018 RM'000
Rental income derived from investment properties	**19**	114
Direct operating expenses arising from investment properties	**7**	43

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 RM'000	2018 RM'000
Unquoted shares, at costs	119,999	119,999
Less: Accumulated impairment losses	(35,653)	(35,653)
	84,346	84,346

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses.

(b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of the measurement criteria is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the value-in-use or fair value less cost to sell of the respective subsidiaries, whichever is higher.

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different forecast growth in future revenue and operating cash flows, as well as determining an appropriate pre-tax discount rate for used for each subsidiaries.

In the previous financial year, impairment loss on investment in a subsidiary amounted to RM856,000 had been recognised due to the continuous losses incurred by this subsidiary. The net carrying amount of investment in this subsidiary amounted to RM4,241,000 as at 31 December 2019 (2018: RM4,241,000).

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

8. INVESTMENTS IN SUBSIDIARIES (continued)

(d) The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity 2019 %	Effective interest in equity 2018 %	Principal activities
Dynamic Unity Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Bukit Punchor Development Sdn. Bhd.	Malaysia	**100**	100	Property development
Thriven TT Sdn. Bhd.	Malaysia	**90**	90	Property development
Lumi Hospitality Sdn. Bhd.	Malaysia	**100**	100	Investment holding
MLB Quarry Sdn. Bhd.	Malaysia	**60**	60	Licensing of a quarry plant
Eco Green Services Sdn. Bhd.	Malaysia	**100**	100	Maintenance services and facilities management services
Thriven Properties Sdn. Bhd.	Malaysia	**100**	100	Property ownership and management
Bakat Stabil Sdn. Bhd.	Malaysia	**93**	93	Property development
Mayfair Ventures Sdn. Bhd.	Malaysia	**100**	100	Property development
Thriven Amona Sdn. Bhd.	Malaysia	**51**	51	Property development
Thriven NCR Sdn. Bhd.	Malaysia	**85**	85	Property development
Verdant Parc Sdn. Bhd.	Malaysia	**100**	100	Property development
Subsidiary of Dynamic Unity Sdn. Bhd.				
Golden Cignet Sdn. Bhd.	Malaysia	**100**	100	Property development

All subsidiaries are audited by BDO PLT.

(i) In the previous financial year, the Company incorporated a new wholly owned subsidiary, Verdant Parc Sdn. Bhd. ('VPSB'). The paid up capital of VPSB is RM100 divided into 100 ordinary shares.

(ii) In the previous financial year, Bakat Stabil Sdn. Bhd. ('BSSB') increased its share capital from RM2 to RM63,000 by way of issuance of 62,998 ordinary shares at RM1.00 each. The Company acquired additional 58,798 ordinary shares in BSSB for a total cash consideration of RM58,798 and the remaining additional 4,200 ordinary shares were subscribed by the non-controlling interests for cash consideration of RM4,200. This resulted in the decrease in equity interest in BSSB from 100% to 93% as at the end of the reporting period.

(iii) In the previous financial year, Eco Green Services Sdn. Bhd. ('EGSSB') increased its share capital from 2 to 100,000 by way of issuance of 99,998 ordinary shares at RM1.00 each. The Company acquired the additional 99,998 ordinary shares in EGSSB for a total cash consideration of RM99,998.

8. INVESTMENTS IN SUBSIDIARIES (continued)

(e) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows:

	Thriven TT Sdn. Bhd. RM'000	Bakat Stabil Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thriven NCR Sdn. Bhd. RM'000	Total RM'000
2019						
NCI percentage of ownership and voting interest	**10%**	**7%**	**49%**	**40%**	**15%**	
Carrying amount of NCI	**(2,999)**	**(735)**	**4,787**	**(441)**	**(27)**	**585**
(Loss)/Profit for the financial year/Total comprehensive (loss)/income allocated to NCI	**(1)**	**(228)**	**4,100**	**(5)**	**(2)**	**3,864**

	Thriven TT Sdn. Bhd. RM'000	Bakat Stabil Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thriven NCR Sdn. Bhd. RM'000	Total RM'000
2018						
NCI percentage of ownership and voting interest	10%	7%	49%	40%	15%	
Carrying amount of NCI	(2,998)	(507)	687	(436)	(25)	(3,279)
Profit/(Loss) for the financial year/Total comprehensive income/(loss) allocated to NCI	192	(77)	896	132	(18)	1,125

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
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8. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	Thriven TT Sdn. Bhd. RM'000	Bakat Stabil Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thriven NCR Sdn. Bhd. RM'000
2019					
Assets and liabilities					
Non-current assets	–	134	574	–	3
Current assets	2	53,131	61,142	7	952
Non-current liabilities	–	(2,493)	(4,304)	–	–
Current liabilities	(29,997)	(42,573)	(47,644)	(1,110)	(1,133)
Net (liabilities)/assets	(29,995)	8,199	9,768	(1,103)	(178)
Results					
Revenue	–	–	71,516	–	–
(Loss)/Profit for the financial year and total comprehensive (loss)/income	(13)	(3,258)	8,368	(13)	(15)
Cash flows (used in)/ from operating activities	(14)	(515)	6,485	(19)	(634)
Cash flows from investing activities	13	12,098	7,070	–	614
Cash flows used in financing activities	–	(11,569)	(13,564)	–	–
Net (decrease)/increase in cash and cash equivalents	(1)	14	(9)	(19)	(20)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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8. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (continued)

	Thriven TT Sdn. Bhd. RM'000	Bakat Stabil Sdn. Bhd. RM'000	Thriven Amona Sdn. Bhd. RM'000	MLB Quarry Sdn. Bhd. RM'000	Thriven NCR Sdn. Bhd. RM'000
2018					
Assets and liabilities					
Non-current assets	–	–	1,035	–	4
Current assets	3	52,937	53,779	25	418
Non-current liabilities	–	(4,177)	(19,367)	–	–
Current liabilities	(29,986)	(37,303)	(34,045)	(1,115)	(586)
Net (liabilities)/assets	(29,983)	11,457	1,402	(1,090)	(164)
Results					
Revenue	–	–	38,448	1,297	–
(Loss)/Profit for the financial year and total comprehensive income/(loss)	(16)	(2,542)	1,828	329	(117)
Cash flows (used in)/from operating activities	(15)	432	(9,944)	431	(426)
Cash flows from/(used in) investing activities	6	6,365	3,504	(480)	406
Cash flows (used in)/from financing activities	–	(6,804)	4,257	–	–
Net decrease in cash and cash equivalents	(9)	(7)	(2,183)	(49)	(20)

9. GOODWILL

	Group	
	2019 RM'000	2018 RM'000
As at 1 January/31 December	5,314	5,314

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

9. GOODWILL (continued)

	Cost RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Group			
2019	**31,675**	**(26,361)**	**5,314**
2018	31,675	(26,361)	5,314

(a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

(b) The carrying amount of goodwill is in relation to the investment in Thriven Amona Sdn. Bhd. ('TASB') (2018: TASB), which is allocated to the property development segment.

(c) For the purpose of impairment testing, goodwill is allocated to the subsidiary acquired, which represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount of the subsidiary is determined based on the value in use ('VIU') calculation. The VIU is calculated using the pre-tax cash flow projections based on financial budgets approved by management. VIU was determined by discounting the future cash flow generated from the development of properties of the subsidiary and were based on the following key assumptions:

(i) Cash flow projected was based on the gross development value of projects planned and that there will be continual demand for quality residential properties; and

(ii) The pre-tax discount rate of 7.00% (2018: 8.40%) is applied in discounting the cash flows and was based on the weighted average cost of capital and relevant risk factors of the subsidiary.

(d) The values assigned to the key assumptions represent assessment of the management of future trends in the industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following areas:

(i) Fluctuations in future planned revenues and development costs arising from fluctuations in raw material costs and constructions costs; and

(ii) Fluctuations in the discount rate used and general interest rates.

10. INVENTORIES

	Note	Group 2019 RM'000	Group 2018 RM'000
Non-current assets			
Properties held for development	10(a)(i)	**30,398**	33,502
Current assets			
Properties under development	10(a)(ii)	**194,592**	245,364
Completed properties		**879**	432
		195,471	245,796
Total inventories		**225,869**	279,298
Inventories pledged as securities:			
- Properties under development	17	**212,727**	240,820

(a) The details of the inventories are as follows:

(i) Non-current assets - Properties held for development

	Note	Freehold land RM'000	Development costs RM'000	Total RM'000
Group				
At cost				
2019				
As at 1 January		**6,344**	**27,158**	**33,502**
Additions		**–**	**263**	**263**
Transfer to properties under development	10(a)(ii)	**(319)**	**(3,048)**	**(3,367)**
As at 31 December		**6,025**	**24,373**	**30,398**
2018				
As at 1 January		6,344	28,414	34,758
Additions		–	223	223
Recognised in profit or loss		–	(1,479)	(1,479)
As at 31 December		6,344	27,158	33,502

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
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10. INVENTORIES (continued)

(a) The details of the inventories are as follows: (continued)

(ii) Current assets - Properties under development

	Note	Land costs RM'000	Development costs RM'000	Accumulated costs charged to profit or loss RM'000	Total RM'000
Group					
At cost					
2019					
As at 1 January		168,464	355,859	(278,959)	245,364
Cost incurred during the financial year		–	156,636	–	156,636
Transfer to investment properties under construction	7(a)	–	(26,263)	–	(26,263)
Transfer from properties held for development	10(a)(i)	319	3,048	–	3,367
Transfer to inventories		(326)	(1,108)	–	(1,434)
Reversal of completed projects		(145)	(5,229)	5,374	–
Cost recognised in profit or loss during the financial year		–	–	(183,078)	(183,078)
As at 31 December		168,312	482,943	(456,663)	194,592
2018					
As at 1 January		166,419	210,780	(102,042)	275,157
Cost incurred during the financial year		–	152,133	–	152,133
Transfer from investment properties under construction	7(a)	2,372	5,747	–	8,119
Transfer to inventories		(7)	(283)	–	(290)
Reversal of completed projects		(320)	(12,518)	12,838	–
Cost recognised in profit or loss during the financial year		–	–	(189,755)	(189,755)
As at 31 December		168,464	355,859	(278,959)	245,364

10. INVENTORIES (continued)

(b) Inventories are stated at lower of cost and net realisable value.

(c) Properties held for development consists of land where no development activities have been carried out or are not expected to be completed within the normal operating cycle of the Group. Such land is classified as non-current assets.

(d) Included in the land costs are leasehold land of RM166,847,000, which represent costs incurred as a consequence of having used the right-of-use assets to produce inventories during the financial year in accordance with MFRS 102 *Inventories*.

(e) Borrowing costs capitalised during the financial year of the Group amounted to RM4,477,000 (2018: RM17,255,000) with interest rates ranging from 5.97% to 6.24% (2018: 5.21% to 7.68%) per annum.

(f) Completed development properties comprises costs associated with the acquisition of land, direct costs, appropriate proportions of common costs attributable to developing the properties to completion and borrowing costs.

(g) During the financial year, completed properties of the Group recognised as cost of sales amounted to RM987,000 (2018: RM146,000).

11. TRADE AND OTHER RECEIVABLES

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Non-current assets:					
Other receivables					
Amount due from a subsidiary		–	–	40,591	–
Less: Impairment losses		–	–	(161)	–
Total trade and other receivables (non-current)		–	–	40,430	–
Current assets:					
Trade receivables					
Third parties		14,848	18,639	–	–
Less: Impairment losses - Third parties		(1,160)	(455)	–	–
	22	13,688	18,184	–	–
Total trade receivables		13,688	18,184	–	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

11. TRADE AND OTHER RECEIVABLES (continued)

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Current assets: (continued)				
Other receivables				
Amounts due from subsidiaries	–	–	159,472	154,937
Third parties	2,703	2,677	1,636	1,637
Deposits	1,617	796	210	180
	4,320	3,473	161,318	156,754
Less: Impairment losses on:				
- Amounts due from subsidiaries	–	–	(31,632)	(34,814)
- Other receivables	(1,772)	(1,775)	(1,235)	(1,235)
Total other receivables	2,548	1,698	128,451	120,705
Total receivables	16,236	19,882	128,451	120,705
Prepayments	55	64	53	66
Total trade and other receivables (current)	16,291	19,946	128,504	120,771
Total trade and other receivables (non-current and current)	16,291	19,946	168,934	120,771

(a) Receivables are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company ranged from 15 to 60 days (2018: 15 to 60 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(c) Trade and other receivables are denominated in RM.

(d) Non-trade balances due from subsidiaries represent advances and payments on behalf, which are unsecured, interest-free and repayable on demand in cash and cash equivalents except for an amount of RM167,562,000 (2018: RM119,619,000), which bear interest at rates ranging from 6.00% to 8.00% (2018: 6.00% to 8.00%) per annum.

Sensitivity analysis for amounts due from subsidiaries as at the end of the reporting period is not presented as fixed rate instruments are measured at amortised cost.

(e) The non-current amount due from a subsidiary represents non-trade transaction, which is unsecured, bears interest at 8% and is not payable within the next twelve months.

11. TRADE AND OTHER RECEIVABLES (continued)

(f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach of calculating the lifetime expected credit losses.

The Group and the Company consider credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (i.e. gross domestic product ('GDP'), inflation rate and unemployment rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

(g) Impairment for other receivables and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology to determine the amount of the impairment is based on determining if there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For financial assets where credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For financial assets that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other receivables and amounts owing from subsidiaries is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for other receivables and amounts owing from subsidiaries.

It requires management to exercise significant judgement in determining the probability of default by other receivables and amounts due from subsidiaries, appropriate forward looking information and significant increase in credit risk.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

11. TRADE AND OTHER RECEIVABLES (continued)

(h) The reconciliations of movements in the impairment allowance for trade and other receivables are as follows:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Trade receivables					
As at 1 January		455	6,136	–	4,561
Charge for the financial year	25	739	–	–	–
Reversal of impairment losses	24	(34)	(1,120)	–	–
Write off		–	(4,561)	–	(4,561)
As at 31 December		1,160	455	–	–
Other receivables					
As at 1 January		1,775	1,780	1,235	1,235
Reversal of impairment losses	24	(3)	(5)	–	–
As at 31 December		1,772	1,775	1,235	1,235

	Note	Company 2019 RM'000	Company 2018 RM'000
Amounts due from subsidiaries			
As at 1 January		34,814	34,666
Charge for the financial year	25	–	628
Reversal of impairment losses	24	(3,021)	(480)
As at 31 December		31,793	34,814

(i) As at the end of each reporting period, the credit risk exposure relating to trade receivables of the Group are summarised in the table below:

	Group 2019 RM'000	Group 2018 RM'000
Maximum exposure	13,688	18,184
Collateral obtained	–	–
Net exposure to credit risk	13,688	18,184

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

11. TRADE AND OTHER RECEIVABLES (continued)

(j) The following tables provide information about expected credit losses for trade receivables as at the end of the reporting period:

	Gross carrying amount RM'000	Loss allowance RM'000	Balance as at 31.12.2019 RM'000
Group			
2019			
Current	8,249	(301)	7,948
Past due			
1 to 30 days	2,616	(190)	2,426
31 to 60 days	2,323	(200)	2,123
More than 60 days	1,660	(469)	1,191
	6,599	(859)	5,740
	14,848	(1,160)	13,688

	Gross carrying amount RM'000	Loss allowance RM'000	Balance as at 31.12.2018 RM'000
Group			
2018			
Current	12,943	(113)	12,830
Past due			
1 to 30 days	1,199	(75)	1,124
31 to 60 days	1,697	(12)	1,685
More than 60 days	2,800	(255)	2,545
	5,696	(342)	5,354
	18,639	(455)	18,184

(k) The Group does not have any significant concentration of credit risks as at the end of the reporting period.

The Company does not have any significant exposure to any individual customer or counterparty other than amounts due from subsidiaries, which constitutes 99.64% (2018: 99.52%) of total receivables as at the end of the reporting period.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

12. CONTRACT ASSETS/(LIABILITIES)

	Group 2019 RM'000	2018 RM'000
Contract assets		
Property development contracts	124,422	58,042
Less: Impairment losses	(41)	(291)
	124,381	57,751
Contract liabilities		
Property development contracts	(3,419)	(5,030)
	120,962	52,721

(a) Contract assets and contract liabilities represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

(b) Contract assets and contract liabilities from property development contracts

	Note	Group 2019 RM'000	2018 RM'000
Revenue recognised in profit or loss to date		593,297	357,197
Effect of first time adoption of MFRS 16	34	(2,498)	–
Progress billings to date		(469,796)	(304,185)
Less: Impairment losses		(41)	(291)
		120,962	52,721

(c) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 11(f) to the financial statements.

(d) The reconciliations of movements in the impairment allowance for contract assets are as follows:

	Note	Group 2019 RM'000	2018 RM'000
As at 1 January		291	190
Charge for the financial year	25	–	109
Reversal of impairment losses	24	(250)	(8)
As at 31 December		41	291

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

13. CASH AND BANK BALANCES

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash and bank balances		**15,821**	10,396	**69**	45
Deposits with licensed banks		**880**	657	**263**	257
As reported in the statements of financial position		**16,701**	11,053	**332**	302
Less:					
- Bank overdrafts	17	**(3,595)**	(23,102)	**(3,595)**	(3,268)
- Deposits pledged to licensed banks	17	**(880)**	(657)	**(263)**	(257)
Cash and cash equivalents included in the statements of cash flows		**12,226**	(12,706)	**(3,526)**	(3,223)

(a) Included in cash and bank balances of the Group and of the Company is a balance of RM8,197,000 (2018: RM8,658,000) held under Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015, which is not available for general use by the Group.

(b) Deposits with licensed banks of the Group and of the Company were pledged as securities for banking facilities granted to the Group and to the Company as disclosed in Note 17 to the financial statements.

(c) The weighted average effective interest rate of deposits with licensed banks of the Group and of the Company are 2.98% (2018: 3.05%) and 2.83% (2018: 2.95%) per annum respectively.

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are measured at amortised cost.

(d) Cash and bank balances are denominated in RM.

(e) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

14. SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid				
As at 1 January	497,243	49,724	376,699	44,852
Issuance of bonus shares	–	–	120,544	4,872
Private placements	49,700	9,862	–	–
As at 31 December	546,943	59,586	497,243	49,724

(a) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

(b) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 497,242,726 to 546,942,726 by way of issuance of 49,700,000 new ordinary shares pursuant to the following:

(i) 17,000,000 ordinary shares for private placement at RM0.205 each for cash, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 25 January 2019.

(ii) 32,700,000 ordinary shares for private placement at RM0.195 each for cash, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 15 March 2019.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(c) In the previous financial year, the Company increased its issued and fully paid-up ordinary share capital from 376,699,125 to 497,242,726 by way of bonus issue of 120,543,601 new ordinary shares of RM0.10 each, on the basis of 8 bonus shares for every 25 existing ordinary shares ("Bonus Shares"). The Bonus Shares were issued by capitalising RM7,182,000 from share premium as provided under Section 618(3) of the Companies Act 2016 with the remaining balance of RM4,872,360 from retained earnings.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

15. RESERVES

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Non-distributable					
Warrant reserve	15(a)	**14,126**	14,126	**14,126**	14,126
Capital reserve	15(b)	**89,559**	89,559	**83,203**	83,203
Distributable					
Retained earnings		**40,572**	25,533	**25,235**	21,128
		144,257	129,218	**122,564**	118,457

(a) Warrant reserve

The warrant reserve arose from the issuance of warrants, which would be transferred to share capital upon the holder converting the warrants to ordinary shares. Warrant reserve related to the unexercised warrants would be transferred to retained earnings upon expiry on 5 October 2020. As at 31 December 2019, none of the warrants were exercised.

(b) Capital reserve

The capital reserve represents the following:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Changes in ownership interest in a subsidiary				
As at 1 January/31 December	**12,156**	12,156	**5,800**	5,800
Reduction in par value of the ordinary shares of the Company in year 2010	**77,403**	77,403	**77,403**	77,403
	89,559	89,559	**83,203**	83,203

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

16. DEFERRED TAX ASSETS/(LIABILITIES)

(a) The deferred tax assets/(liabilities) are made up of the following:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
As at 1 January		(406)	(1,673)	–	–
Effect of first time adoption of MFRS 16	34	599	–	–	–
Recognised in profit or loss	28	297	1,267	–	–
As at 31 December		490	(406)	–	–
Represented by:					
Deferred tax assets, net		490	–	–	–
Deferred tax liabilities, net		–	(406)	–	–
		490	(406)	–	–

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Property, plant and equipment RM'000	Others RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2019	–	–	–	–
Effect of first time adoption of MFRS 16	–	599	–	599
Recognised in profit or loss	22	194	(325)	(109)
As at 31 December 2019	22	793	(325)	490

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Inventories RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2019	(20)	(386)	–	(406)
Recognised in profit or loss	(4)	85	325	406
As at 31 December 2019	(24)	(301)	325	–
As at 1 January 2018	(21)	(1,652)	–	(1,673)
Recognised in profit or loss	1	1,266	–	1,267
As at 31 December 2018	(20)	(386)	–	(406)

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

16. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statements of financial position are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Unused tax losses				
- Expired by 31 December 2026	**1,237**	–	**1,198**	–
- Expired by 31 December 2025	**33,494**	33,494	**603**	603
Unabsorbed capital allowances	**1,718**	1,513	**1,669**	1,510
Other deductible temporary differences	**242**	3,207	**268**	3,202
	36,691	38,214	**3,738**	5,315

Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the Company and subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

17. BORROWINGS

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Non-current					
Term loans		4,000	9,067	4,000	1,750
Bridging loans		4,304	13,734	–	–
Hire purchase creditors		–	895	–	895
		8,304	23,696	4,000	2,645
Current					
Term loans		1,597	11,883	1,597	–
Bridging loans		6,996	38,010	–	–
Revolving credits		60,825	25,300	40,300	25,300
Hire purchase creditors		–	228	–	228
Bank overdrafts		3,595	23,102	3,595	3,268
Other borrowings - non-financial institution (arising from sale and leaseback arrangement)	17(d)	27,774	–	–	–
		100,787	98,523	45,492	28,796
Total borrowings					
Term loans		5,597	20,950	5,597	1,750
Bridging loans		11,300	51,744	–	–
Hire purchase creditors	18	–	1,123	–	1,123
Revolving credits		60,825	25,300	40,300	25,300
Bank overdrafts	13	3,595	23,102	3,595	3,268
Total bank borrowings		81,317	122,219	49,492	31,441
Other borrowings - non-financial institution (arising from sale and leaseback arrangement)	17(d)	27,774	–	–	–
		109,091	122,219	49,492	31,441

(a) Borrowings are classified as financial liabilities, and are measured at amortised cost.

(b) Borrowings are denominated in RM.

17. BORROWINGS (continued)

(c) The borrowings are secured by the following:

(i) Pledge of investment properties of the Group as disclosed in Note 7 to the financial statements;

(ii) Pledge of certain properties under development of the Group as disclosed in Note 10 to the financial statements;

(iii) Lien on a portion of fixed deposit placement and amount held in an interest reserve account of the Group and of the Company as disclosed in Note 13 to the financial statements; and

(iv) Corporate guarantees by the Company.

(d) Other borrowings - non-financial institution represents proceeds received from sale and leaseback arrangement accounted for as financial liability as disclosed in Note 7 to the financial statements.

(e) Fair value of the bank borrowings of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(f) Bank borrowings that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values are as follows:

	2019		2018	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group and Company				
Hire purchase creditors	–	–	1,123	1,096

Fair values of the bank borrowings are estimated by discounting expected future cash flows at the current market interest rate available to the Group and the Company for similar instruments.

Carrying amounts of hire purchase creditors were reasonable approximation of fair values due to the current rates offered to the Group and the Company approximated the market rates for similar borrowings of the same remaining maturities.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

17. BORROWINGS (continued)

(g) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk:

	Weighted average effective interest rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	More than five (5) years RM'000	Total RM'000
Group					
31 December 2019					
Floating rates					
Term loans	7.20	**1,597**	**4,000**	**–**	**5,597**
Bridging loans	6.24	**6,996**	**4,304**	**–**	**11,300**
Revolving credits	5.97	**60,825**	**–**	**–**	**60,825**
Bank overdrafts	6.92	**3,595**	**–**	**–**	**3,595**
Fixed rate					
Other	6.98	**27,774**	**–**	**–**	**27,774**
31 December 2018					
Floating rates					
Term loans	4.71	11,883	9,067	–	20,950
Bridging loans	5.37	38,010	13,734	–	51,744
Revolving credits	5.33	25,300	–	–	25,300
Bank overdrafts	6.58	23,102	–	–	23,102
Fixed rate					
Hire purchase creditors	5.00	228	895	–	1,123

17. BORROWINGS (continued)

(g) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk: (continued)

	Weighted average effective interest rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	More than five (5) years RM'000	Total RM'000
Company					
31 December 2019					
Floating rates					
Term loans	7.20	1,597	4,000	–	5,597
Revolving credits	5.26	40,300	–	–	40,300
Bank overdrafts	6.92	3,595	–	–	3,595
31 December 2018					
Floating rates					
Term loans	5.19	–	1,750	–	1,750
Revolving credits	5.33	25,300	–	–	25,300
Bank overdrafts	7.01	3,268	–	–	3,268
Fixed rate					
Hire purchase creditors	5.00	228	895	–	1,123

(h) Sensitivity analysis for fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are measured at amortised cost. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Effects of 50 basis points changes to profit/ (loss) after tax				
- Increase by 0.5% (2018: 0.5%)	(310)	(460)	(188)	(115)
- Decrease by 0.5% (2018: 0.5%)	310	460	188	115

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

17. BORROWINGS (continued)

(i) The table below summarises the maturity profile of the bank borrowings of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Group				
31 December 2019				
Term loans	**1,989**	**4,335**	**–**	**6,324**
Bridging loans	**7,492**	**4,395**	**–**	**11,887**
Revolving credits	**60,825**	**–**	**–**	**60,825**
Bank overdrafts	**3,595**	**–**	**–**	**3,595**
Other	**27,774**	**–**	**–**	**27,774**
	101,675	**8,730**	**–**	**110,405**
31 December 2018				
Term loans	12,702	9,337	–	22,039
Bridging loans	40,205	14,613	–	54,818
Hire purchase creditors	278	972	–	1,250
Revolving credits	25,300	–	–	25,300
Bank overdrafts	23,102	–	–	23,102
	101,587	24,922	–	126,509
Company				
31 December 2019				
Term loans	**1,989**	**4,335**	**–**	**6,324**
Revolving credits	**40,300**	**–**	**–**	**40,300**
Bank overdrafts	**3,595**	**–**	**–**	**3,595**
	45,884	**4,335**	**–**	**50,219**
31 December 2018				
Term loans	–	1,838	–	1,838
Hire purchase creditors	278	972	–	1,250
Revolving credits	25,300	–	–	25,300
Bank overdrafts	3,268	–	–	3,268
	28,846	2,810	–	31,656

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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18. HIRE PURCHASE CREDITORS

	Note	Group and Company 2019 RM'000	Group and Company 2018 RM'000
Minimum hire purchase payments:			
- not later than one (1) year		–	278
- later than one (1) year and not later than five (5) years		–	972
- later than five (5) years		–	–
Total minimum hire purchase payments		–	1,250
Less: Future interest charges		–	(127)
Present value of hire purchase payments	17	–	1,123
Repayable as follows:			
Current liabilities			
- not later than one (1) year		–	228
Non-current liabilities			
- later than one (1) year and not later than five (5) years		–	895
		–	1,123

19. TRADE AND OTHER PAYABLES

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Trade payables					
Third parties		58,844	40,177	1	1
Other payables					
Amounts due to subsidiaries		–	–	21,263	8,707
Amounts due to related parties		6,760	9,664	–	–
Third parties		3,877	1,110	393	319
Accruals		25,862	24,031	723	472
Deposits received	22	3,877	1,728	11	39
		40,376	36,533	22,390	9,537
Total payables		99,220	76,710	22,391	9,538

(a) Trade and other payables are classified as financial liabilities, and are measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranged from 30 to 45 days (2018: 30 to 45 days).

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

19. TRADE AND OTHER PAYABLES (continued)

(c) Included in trade payables of the Group and of the Company are retention sums for contract works of RM13,848,000 and RM1,000 respectively (2018: RM15,748,000 and RM1,000). The retention sums are unsecured, interest-free and payable upon the expiry of the defect liability periods of 12 to 24 months.

(d) Except for the amounts due to certain subsidiaries totalling RM19,453,000 (RM8,649,000) that bear interest at 6.00% per annum, the amounts due to other subsidiaries are non-interest bearing, unsecured and are payable within the next twelve (12) months in cash and cash equivalents.

(e) Non-trade balances due to related parties represent advances and payments on behalf, which are unsecured, interest-free and payable on demand in cash and cash equivalents. Non-trade balances due to related parties bear interest rates ranging from 6.00% to 8.00% (2018: 6.00% to 8.00%) per annum.

(f) Included in the amounts due to related parties is a balance of RM4,857,000 (2018: RM7,907,000) due to MJC Development Sdn. Bhd. ('MJC'), which represents the remaining outstanding balance due for the acquisitions of equity in MVSB, which were previously held by MJC as detailed in the settlement agreement dated 2 December 2016.

(g) Included in the accruals is an amount of RM25,019,000 (2018: RM23,339,000), which mainly represents project cost accruals of the Group.

(h) Trade and other payables are denominated in RM.

(i) Maturity profile of trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

(j) Sensitivity analysis for fixed rate profile of other payables at the end of the reporting period is not presented as fixed rate instruments are not significantly affected by change in interest rates.

20. REDEEMABLE PREFERENCE SHARES

	Group			
	2019		2018	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid				
As at 1 January	2	2,493	–	–
Issuance of redeemable preference shares to non-controlling interests by a subsidiary	–	–	2	2,493
As at 31 December	2	2,493	2	2,493

20. REDEEMABLE PREFERENCE SHARES (continued)

Redeemable preference shares represent preference shares issued by a subsidiary of the Company, Bakat Stabil Sdn. Bhd., to its non-controlling interests during the financial year.

The salient features of the redeemable preference shares are as follows:

(a) The redeemable preference shares, are to be redeemed in whole or in part, at any time by the subsidiary on or before 31 December 2022 and the redemption price shall be paid together with any accrued dividend.

(b) The redeemable preference shares carry a cumulative dividend of 8% per annum, such dividend shall accrue at 8% per annum and compounded on the anniversary dates of its issuance unless paid by the subsidiary.

(c) The right, on winding up or on repayment of capital, to repayment of the capital paid-up or credited as paid-up on those redeemable preference shares in priority or in preference to any repayment to any holders of ordinary shares.

(d) Holders of redeemable preference shares shall not be entitled to surplus assets and profits of the subsidiary.

21. LEASE LIABILITIES

The Group and Company as lessee

	Note	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group				
2019				
Carrying amount				
As at 1 January 2019		–	–	–
Effects of adoption of MFRS 16	34	2,740	1,123	3,863
Lease payments		(1,198)	(279)	(1,477)
Interest expense		129	50	179
As at 31 December 2019		1,671	894	2,565
Company				
2019				
Carrying amount				
As at 1 January 2019		–	–	–
Effects of adoption of MFRS 16	34	2,493	1,123	3,616
Lease payments		(1,071)	(279)	(1,350)
Interest expense		118	50	168
As at 31 December 2019		1,540	894	2,434

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

21. LEASE LIABILITIES (continued)

The Group and Company as lessee (continued)

	Group 2019 RM'000	Company 2019 RM'000
Represented by:		
Current liabilities	1,368	1,251
Non-current liabilities	1,197	1,183
	2,565	2,434
Lease liabilities owing to financial institutions	894	894
Lease liabilities owing to non-financial institutions	1,671	1,540
	2,565	2,434

(a) The following are the amounts recognised in profit or loss:

	Group 2019 RM'000	Company 2019 RM'000
Depreciation charge of right-of-use assets (included in other expenses)	1,506	1,385
Interest expense on lease liabilities (included in finance costs)	179	168
Expense relating to short-term leases (included in other expenses)	9	9
	1,694	1,562

(b) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM1,477,000 and RM1,350,000 respectively.

(c) The Group has certain leases of buildings with lease term of 12 months or less. The Group applies the "short-term lease" exemptions for these leases.

(d) The Group and the Company determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group and the Company are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group and the Company to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group and of the Company. The lease payments are discounted using the annual incremental borrowing rates of the Group ranging from 5.00% to 6.00%. At the end of the financial year, the undiscounted potential future rental payments arising from extension options expected not to be exercised that are not included in the lease term amounting to RM3,213,000, which is within five (5) years.

21. LEASE LIABILITIES (continued)

(e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities for the lease liabilities of the Group and the Company:

	Weighted average incremental borrowing rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group						
31 December 2019						
Lease liabilities						
Fixed rates	5.00 - 6.00	1,368	795	402	–	2,565
Company						
31 December 2019						
Lease liabilities						
Fixed rates	5.00 - 6.00	1,251	781	402	–	2,434

(f) The table below summarises the maturity profile of the lease liabilities of the Group and the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
31 December 2019				
Lease liabilities	1,469	1,243	–	2,712
Company				
31 December 2019				
Lease liabilities	1,349	1,230	–	2,579

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

22. REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue from contracts with customers:				
Property development:				
- Sales of completed properties	**5,061**	346	**–**	–
- Sales of properties under construction	**231,039**	237,946	**–**	–
	236,100	238,292	**–**	–
Operation of a quarry plant	**–**	382	**–**	–
Property management	**289**	291	**–**	–
Management fee	**–**	–	**5,640**	5,175
	236,389	238,965	**5,640**	5,175
Other revenue:				
Rental of investment properties	**19**	114	**19**	114
	236,408	239,079	**5,659**	5,289

Revenue is measured by reference to each distinct performance obligation promised in the contract with customer or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

At the inception of each contract with customer, the Group and the Company determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Revenue is recognised over time if:

(a) the customer simultaneously receives and consumes all of the benefits provided by the Group and the Company;

(b) the performance of the Group and of the Company creates or enhances a customer-controlled asset; or

(c) the Group or the Company does not have an alternative use of the asset that it creates or enhances and has an enforceable rights to payment for performance completed to date.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

22. REVENUE (continued)

The Group and the Company recognises revenue when it transfers control over a product or service to a customer.

(a) Property development

The property development segment of the Group generates revenue from the sale of properties to customers. The sale of properties can be disaggregated into two main types as follows:

(i) Revenue from sale of completed properties

Revenue from sale of completed properties to customer is recognised at a point in time when the Group satisfies the performance obligation by transferring a promised asset to a customer, i.e. upon such customer taking legal possession of the property. This occurs when persuasive evidence exists, usually in the form of an executed sale agreement or evidence of purchase price settlement, or when the customer takes vacant possession of the properties.

(ii) Revenue from sale of properties under construction

Revenue from sale of properties under construction is recognised over time, commencing upon the Group entities entering into agreements with its customers. Revenue is recognised over time using input method based on the percentage of completion measured by reference to the property development costs incurred for work performed to date against the estimated property development costs to completion.

(b) Operation of a quarry plant

Revenue derived from the operation of a quarry plant comprised the leasing of usage rights of a plot of land to a third party. The revenue was recognised net of cost based on the quantity extracted from the land calculated on a fixed rate.

(c) Property management

Revenue of property management is derived from providing maintenance and facilities management services. The revenue from services rendered is recognised in the period the service was provided to the customers.

(d) Management fees

Management fees are recognised when services are rendered.

(e) Rental of investment properties

Revenue of the rental of investment properties is derived from the rental of investment properties of the Group and of the Company. The revenue is recognised on a straight-line basis over the term of the lease.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

22. REVENUE (continued)

A. Disaggregation of revenue

In the following table, revenue is disaggregated by the type of services and the timing of transfer of revenue recognition.

	Timing revenue recognition					
	Product transferred at a point in time		Product transferred over time		Total	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Group						
Property development	**5,061**	346	**231,039**	237,946	**236,100**	238,292
Operation of a quarry plant	**–**	382	**–**	–	**–**	382
Property management	**729**	815	**–**	–	**729**	815
Management fee	**–**	–	**5,640**	5,175	**5,640**	5,175
Total reportable segment	**5,790**	1,543	**236,679**	243,121	**242,469**	244,664
Adjustments and eliminations	**(440)**	(524)	**(5,640)**	(5,175)	**(6,080)**	(5,699)
Total	**5,350**	1,019	**231,039**	237,946	**236,389**	238,965
Company						
Management fee	**–**	–	**5,640**	5,175	**5,640**	5,175

22. REVENUE (continued)

B. Contract balances

The following table provides information about receivables and contract balances with contract customers:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Contract receivables, included in 'Trade and other receivables'	11	**13,688**	18,184	**–**	–
Contract balances:					
- Net contract assets in relation to property development activities	12	**121,003**	53,012	**–**	–
- Deposits received	19	**(3,877)**	(1,728)	**(11)**	(39)
		117,126	51,284	**(11)**	(39)

The receivables primarily relate to the rights to consideration for work completed of the Group and are billed during the financial year.

Reconciliation of movements in contract assets/(liabilities) during the financial year are as follows:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
As at 1 January	**51,284**	33,502	**(39)**	(39)
Effect of first time adoption of MFRS 16	**(2,498)**	–	**–**	–
Performance obligations satisfied in previous financial year	**(56,578)**	(39,073)	**–**	–
Revenue recognised during financial year, included in contract liabilities at the beginning of the reporting period	**3,566**	2,873	**–**	–
	(4,226)	(2,698)	**(39)**	(39)
Deposits (received)/paid during financial year	**(2,149)**	970	**28**	–
Progress billings issued during financial year	**(109,033)**	(182,407)	**–**	–
Revenue recognised during financial year	**232,534**	235,419	**–**	–
As at 31 December	**117,126**	51,284	**(11)**	(39)

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

22. REVENUE (continued)

C. Transaction prices allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting date.

	Group 2019 RM'000	Group 2018 RM'000
Sales of properties under construction expected to be recognised in financial year:		
2019	–	220,033
2020	145,259	59,123
2021	43,005	5,791
	188,264	284,947

All consideration from contracts with customers is included in the amounts presented above.

23. COST OF SALES

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Property development:				
- Cost of completed properties	987	146	–	–
- Cost of properties under construction	183,078	191,234	–	–
	184,065	191,380	–	–
Investment properties	7	43	7	43
Property management	338	292	–	–
	184,410	191,715	7	43

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

24. OTHER INCOME

Other income comprises of the following:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Interest income on:					
- fixed deposits with licensed banks		**24**	46	**6**	14
- housing development accounts		**126**	158	**–**	–
- others		**40**	37	**–**	–
- subsidiaries		**–**	–	**9,182**	6,997
		190	241	**9,188**	7,011
Reversal of impairment losses on:					
- amounts due from subsidiaries	11(h)	**–**	–	**3,021**	480
- trade and other receivables	11(h)	**37**	1,125	**–**	–
- contract assets	12(d)	**250**	8	**–**	–
Gain on disposal of investment properties		**1,214**	–	**1,214**	–
Miscellaneous		**754**	340	**1**	2
		2,445	1,714	**13,424**	7,493

Interest income is recognised as it accrues using the effective interest method in the profit or loss.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

25. OTHER EXPENSES

Included in other expenses are the following:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Depreciation of property, plant and equipment	6	3,555	2,369	1,746	838
Property, plant and equipment written off	6	283	–	283	–
Depreciation of investment properties	7	4	27	4	27
Employee benefits	27	11,113	10,325	6,660	6,679
Impairment losses on:					
- amounts due from subsidiaries	11(h)	–	–	–	628
- investment in a subsidiary	8(c)	–	–	–	856
- trade and other receivables	11(h)	739	–	–	–
- contract assets	12(d)	–	109	–	–
Bad debts written off		–	30	–	–
Rental expense on office premises		–	1,155	–	1,032

26. FINANCE COSTS

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Interest expense on:				
- amounts due to subsidiaries	–	–	872	629
- bank overdrafts	252	284	238	160
- hire purchase creditors	–	63	–	62
- revolving credits	1,530	1,199	1,530	1,199
- term loans and bridging loans	700	910	381	17
- lease liabilities	179	–	168	–
- others	956	53	–	–
	3,617	2,509	3,189	2,067

27. EMPLOYEE BENEFITS

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Salaries, wages, bonuses and allowances	**9,498**	8,804	**5,684**	5,693
Defined contribution plans	**1,133**	1,045	**656**	662
Social security contributions	**67**	59	**31**	29
Other staff-related expenses	**415**	417	**289**	295
	11,113	10,325	**6,660**	6,679

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,309,000 (2018: RM2,314,000).

28. TAX EXPENSE

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Current tax expense based on profit for the financial year		**7,373**	7,449	**1,028**	272
Under/(Over) provision in prior years		**1,307**	(333)	**(4)**	103
		8,680	7,116	**1,024**	375
Deferred tax					
- Relating to origination and reversal of temporary differences		**304**	(843)	**–**	–
- Over provision in prior years		**(601)**	(424)	**–**	–
	16	**(297)**	(1,267)	**–**	–
Real property gains tax		**70**	–	**70**	–
		8,453	5,849	**1,094**	375

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated taxable profit for the fiscal year.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

28. TAX EXPENSE (continued)

(b) Numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Profit/(Loss) before tax	**29,255**	27,369	**5,201**	(1,747)
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	**7,021**	6,569	**1,248**	(419)
Tax effects in respect of:				
Non-allowable expenses	**1,436**	812	**449**	765
Non-taxable income	**(123)**	(745)	**–**	(116)
Real property gain tax imposed on disposal of investment properties	**70**	–	**70**	–
Difference in tax rates	**(291)**	–	**(291)**	–
Deferred tax assets not recognised	**13**	50	**–**	42
Utilisation of previously unrecognised deferred tax assets	**(379)**	(80)	**(378)**	–
	7,747	6,606	**1,098**	272
Under/(Over) provision in prior years				
- current tax expense	**1,307**	(333)	**(4)**	103
- deferred tax expense	**(601)**	(424)	**–**	–
	8,453	5,849	**1,094**	375

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2019

29. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2019 RM'000	2018 RM'000
Profit attributable to equity holders of the parent	**16,938**	20,395
Weighted average number of ordinary shares in issue (unit)	**539,285**	497,243
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	**539,285**	497,243
Basic earnings per ordinary share (sen)	**3.14**	4.10

(b) Diluted

The diluted earnings per ordinary share for the current and previous financial year is equal to the basic earnings per ordinary share for the respective financial year as there are no dilution effects of the warrants issued on the ordinary shares.

30. OPERATING LEASE COMMITMENTS

(a) The Group and the Company as a lessee

The Group and the Company had entered into non-cancellable lease agreements for certain premises for terms between one (1) to three (3) years and renewable at the end of the lease period subject to an increase clause.

The Group and the Company have aggregate future minimum lease commitments as at the end of each reporting period as follows:

	Group 2019 RM'000	2018 RM'000	Company 2019 RM'000	2018 RM'000
Not later than one (1) year	–	1,257	–	1,071
Later than one (1) year and not later than five (5) years	–	1,711	–	1,577
	–	2,968	–	2,648

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
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30. OPERATING LEASE COMMITMENTS (continued)

(b) The Group and the Company as a lessor

The Group and the Company had entered into non-cancellable lease agreements on its investment properties for terms of one (1) year and renewable at the end of the lease period subject to an increase clause.

The Group and the Company have aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group and Company	
	2019 RM'000	2018 RM'000
Not later than one (1) year	–	19

31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statements; and

(ii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group and certain members of senior management of the Group.

(b) The Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2019 RM'000	2018 RM'000
Directors of the Company, close members of their families and companies in which they have interests		
Revenue recognised from the sale of properties under construction	138	3,605
Other key management personnel		
Revenue recognised from the sale of properties under construction	145	62

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
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31. RELATED PARTY DISCLOSURES (continued)

(b) The Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company 2019 RM'000	Company 2018 RM'000
Subsidiaries of the Company		
Interest expense	**(872)**	(629)
Interest income	**9,182**	6,997
Management fee income	**5,640**	5,175
Maintenance fee expense	**(96)**	(156)

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

Information regarding outstanding balances with related parties at the end of the financial year are disclosed in Notes 11 and 19 to the financial statements.

(c) Compensation of key management personnel

The remunerations of Directors and other key management personnel during the financial year were as follows:

	Note	Group and Company 2019 RM'000	Group and Company 2018 RM'000
Directors' remuneration			
Salaries, bonuses and allowances		**1,980**	1,973
Defined contribution plans		**235**	235
		2,215	2,208
Estimated money value of benefits-in-kind		**94**	106
	27	**2,309**	2,314
Directors' fees		**154**	154
Other key management personnel			
Salaries, bonuses and allowances		**985**	985
Defined contribution plans		**117**	117
		1,102	1,102
Estimated money value of benefits-in-kind		**7**	7
		1,109	1,109
		3,572	3,577

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

31. RELATED PARTY DISCLOSURES (continued)

(d) Material contracts

There were no material contracts, which have been entered into by the Company or its subsidiaries which involved Directors' and major shareholders' interests subsisting at the end of the financial year ended 31 December 2019 or entered into since the end of the previous financial year except as disclosed elsewhere in the financial statements.

32. CONTINGENT LIABILITIES

	Company	
	2019 RM'000	2018 RM'000
Corporate guarantees given to financial institutions for credit facility granted to subsidiaries		
- Limit of guarantee	**61,000**	161,900
- Amount utilised	**48,124**	90,779

The Group designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as financial liabilities at the time the guarantee is issued.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The Company monitors on an ongoing basis the results of the subsidiaries and repayment made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment and no values are ascribed on corporate guarantees provided by the Company to secure bank loans and other banking facilities granted to its subsidiary where such loans and bank facilities are fully collateralised by charges over properties under constructions of the subsidiary and where the Directors regard the value of the credit enhancement provided by the corporate guarantees as minimal. The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote.

The fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

No expected credit loss is recognised arising from financial guarantee as it is negligible.

32. CONTINGENT LIABILITIES (continued)

The table below summarises the maturity profile of the liabilities of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Corporate guarantees	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Company				
2019	**33,070**	**15,054**	**–**	**48,124**
2018	64,322	26,457	–	90,779

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform with the current year presentation.

2018 Group	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Statements of financial position			
Current assets			
Trade and other receivables	72,667	(52,721)	19,946
Contract assets	–	57,751	57,751
Current liabilities			
Contract liabilities	–	5,030	5,030
Statements of cash flows			
Cash flows from operating activities			
Adjustments for:			
Impairment losses on:			
- trade and other receivables	109	(109)	–
- contract assets	–	109	109
Reversal of impairment losses on:			
- trade and other receivables	(1,133)	8	(1,125)
- contract assets	–	(8)	(8)
Working capital changes:			
Trade and other receivables	(10,431)	16,663	6,232
Contract assets	–	(21,693)	(21,693)
Contract liabilities	–	5,030	5,030
Cash flows from financing activities			
(Placements)/Withdrawals of:			
- fixed deposits pledged with licensed banks	298	(400)	(102)
- fixed deposit placed with a licensed bank with maturity of more than 3 months	(260)	400	140

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
MFRS 16 Leases	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of MFRS 16 as described in the following section.

MFRS 16 *Leases*

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have a material impact for leases for which the Group is the lessor.

The Group and the Company applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 January 2019. The incremental borrowing rate of the Group applied to the lease liabilities on 1 January 2019 were between 5.00% to 6.00%.

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

34.1 New MFRSs adopted during the financial year (continued)

MFRS 16 *Leases* (continued)

In order to compute the transition impact of MFRS 16, a significant data extraction exercise was undertaken by management to summarise all property and equipment lease data such that the respective inputs could be uploaded into management's model. The incremental borrowing rate method has been adopted where the implicit rate of interest in a lease is not readily determinable.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability respectively at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

In applying MFRS 16 for the first time, the Group and the Company have used the following practical expedients permitted by the standard:

(a) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2019;

(c) Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 and do not contain a purchase option as short-term leases;

(d) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

(e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

On transition to MFRS 16, the Group and the Company recognised right-of-use assets and lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	Note	As at 31 December 2018 RM'000	Impact RM'000	As at 1 January 2019 RM'000
Group				
Property, plant and equipment	(a)	7,966	2,740	**10,706**
Deferred tax (liabilities)/assets		(406)	599	**193**
Borrowings		122,219	(1,123)	**121,096**
Contract liabilities	(b)	–	2,498	**2,498**
Lease liabilities	(c)	–	3,863	**3,863**
Retained earnings		25,533	(1,899)	**23,634**
Company				
Property, plant and equipment	(a)	2,935	2,493	**5,428**
Borrowings		31,441	(1,123)	**30,318**
Lease liabilities	(c)	–	3,616	**3,616**

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

34.1 New MFRSs adopted during the financial year (continued)

MFRS 16 *Leases* (continued)

(a) The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the financial statements as at 31 December 2018.

(b) The effect of first time adoption of MFRS 16 on contract liabilities relates to Guaranteed Rental Return ('GRR') scheme of a property development project. This scheme contains lease and non-lease components. The Group allocated the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

(c) Lease liabilities are measured as follows:

	Group RM'000	Company RM'000
Operating lease commitments as at 31 December 2018 as disclosed under MFRS 117	2,968	2,648
Weighted average incremental borrowing rate as at 1 January 2019	6.0%	6.0%
Discounted operating lease commitments as at 1 January 2019	2,798	2,493
Finance lease liabilities recognised as at 31 December 2018	1,123	1,123
Recognition exemption for leases with less than 12 months of lease term at transition	(58)	–
Lease liabilities recognised at 1 January 2019	3,863	3,616

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2020

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2022
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

35. FINANCIAL REPORTING UPDATES

35.1 IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ('IFRIC') issued a final agenda decision on 26 November 2019 regarding 'Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)'.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group anticipates an increase in lease liabilities and corresponding right-of-use assets arising from the reassessment of the lease term of existing leasing arrangements due to this final agenda decision.

The Group is in the process of implementing the requirements of this final agenda decision and the impact upon adoption is expected to be recognised during the financial year ending 31 December 2020.

NOTES TO
THE FINANCIAL STATEMENTS (cont'd)
31 December 2019

36. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection ('COVID-19') a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ('MCO') effective from 18 March 2020 to 31 March 2020 arising from COVID-19. The MCO was subsequently extended until 12 May 2020, followed by a Conditional MCO until 9 June 2020.

Since these developments occurred subsequent to the end of the reporting period, the COVID-19 pandemic is treated as a non-adjusting event in accordance with MFRS 110 *Events after the Reporting Period*. Consequently, the financial statements for the financial year ended 31 December 2019 do not reflect the effects arising from this non-adjusting event.

The financial reporting impact of the COVID-19 pandemic could be significant to the Group due to:

(a) Potential reduced consumer demand for the goods and services of the Group owing to lost income and/or restrictions on consumers' ability to move freely;

(b) Potential lack of investment in capital improvements and construction, thus reducing demand for goods and services of the Group; and

(c) Disruption of global supply chains due to the restrictions imposed on the movement of people and goods.

The Group is in the process of assessing the financial reporting impact of COVID-19 pandemic amid this uncertainty in its operating environment as at the date of authorisation of the financial statements.

The Group anticipates that any potential financial reporting impact of COVID-19 would be recognised in the financial statements of the Group during the financial year ending 31 December 2020.

LIST OF PROPERTIES OF THE GROUP

as at 31 December 2019

No.	Location/Address	Year of Acquisition/ Completion	Tenure	Date of Expiry of Lease	Age of Building (Years)	Land area/ Built up area as at 31/12/2019	Description/ Existing Use	Net Book Value as at 31/12/2019 RM'000
1	PN 30649 & PN30650 Lot 212 & 213 Mukim Bandar Damansara Daerah Petaling, Selangor	2013	Leasehold	30/12/ 2114	N/A	6.41 acres	Land being used for residential and commercial development	**163,874**
2	Lot 1524 HS(D) 3059/95 Padang Meha Kulim, Kedah	2002	Freehold	N/A	N/A	91.87 acres	Land being used for residential and commercial development	**34,876**
3	PN 3697, Lot 53 Seksyen 13, Bandar Petaling Jaya Daerah Petaling, Selangor	2013	Leasehold	20/11/ 2066	N/A	1.99 acres	Land being used for residential and commercial development	**53,065**
4	Mukim 7 Daerah Seberang Perai Selatan Nibong Tebal, Pulau Pinang	2006	Freehold	N/A	N/A	2.16 acres	Land to be used for residential, commercial and industrial development	**4,402**
5	Lot 58453 Hak Milik 46467 Mukim Batu Kepong, Kuala Lumpur	2015	Leasehold	16/03/ 2116	N/A	2.09 acres	Land being used for residential and commercial development	**15,784**
6	PN3697, Lot 53 Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor	2015	Leasehold	20/11/ 2066	2	761.81 sq.metres	Sales Gallery	**1,481**
7	Lot 4183 Padang Meha Kulim, Kedah	2014	Freehold	N/A	3	130 sq.metres	Sales Gallery	**298**
	TOTAL							**273,780**

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS

as at 8 May 2020

(A) ANALYSIS OF SHAREHOLDINGS as at 8 May 2020

Issued and Paid-up Share Capital	:	546,942,726 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	1) One vote per shareholder on a show of hands
		2) One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	357	9.04	13,230	0.00
100 - 1,000	235	5.95	111,641	0.02
1,001 - 10,000	1,732	43.85	10,878,115	1.99
10,001 - 100,000	1,417	35.87	47,692,184	8.72
100,001 – 27,347,135 (less than 5% of issued shares)	205	5.19	133,408,084	24.39
27,347,136 (5% of issued shares) and above	4	0.10	354,839,472	64.88
TOTAL	3,950	100.00	546,942,726	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Teladan Kuasa Sdn. Bhd.	148,524,802	27.16
2.	Mulpha International Bhd.	121,298,860	22.18
3.	Dato' Lim Chee Meng	47,872,000	8.75
4.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Dato' Low Keng Siong	37,143,810	6.79
5.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ghazie Yeoh Bin Abdullah	23,939,619	4.38
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Dato' Low Keng Siong (8125104)	13,120,800	2.40
7.	Ng Soon Teong	6,830,000	1.25
8.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Lian Huat	5,841,000	1.07
9.	Lim Chee Khang	5,718,900	1.05

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 8 May 2020

No.	Name of Shareholders	No. of Shares	%
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yau Kok Seng (001)	5,012,498	0.92
11.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sim Ann Huat	3,010,000	0.55
12.	Puncak Kuasa Sdn. Bhd.	2,722,276	0.50
13.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tommy Bin Bugo @ Hamid Bin Bugo	2,400,000	0.44
14.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Chuan Dyi (6000364)	2,000,000	0.37
15.	Luis Chi Leung Tong	1,900,000	0.35
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An For OCBC Securities Private Limited (Client A/C-R ES)	1,425,600	0.26
17.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tang Kie Ung (E-BTL)	1,280,400	0.23
18.	Tan Chee Fatt	1,209,000	0.22
19.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Rewi Hamid Bugo (E-PDG)	1,188,000	0.22
20.	Rewi Hamid Bugo	1,161,700	0.21
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Low Wui Li	1,074,300	0.20
22.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Chin Kong	1,000,000	0.18
23.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Hor Chin Siang (E-PRA/JRU)	1,000,000	0.18
24.	Tan Lek Hoon	980,000	0.18
25.	Caroline Lee Siew Ling	900,000	0.16
26.	Soong Chee Keong	900,000	0.16
27.	Lye Foong Thye	897,600	0.16
28.	Chew Suen Wei	881,600	0.16
29.	Lee Yean Aun Keefe	856,350	0.16
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teh Siew Wah (021)	800,000	0.15

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 8 May 2020

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Teladan Kuasa Sdn. Bhd.	148,524,802	27.16	–	–
Ketapang Capital Sdn. Bhd.	–	–	148,524,802[a]	27.16
Datuk Fakhri Yassin bin Mahiaddin	–	–	148,524,802[b]	27.16
Mulpha International Bhd.	121,298,860	22.18	–	–
Nautical Investments Limited	–	–	121,298,860[c]	22.18
Mountbatten Corporation	–	–	121,298,860[d]	22.18
Mount Glory Investments Limited	–	–	121,298,860[e]	22.18
Yong Pit Chin	–	–	121,298,860[f]	22.18
Lee Seng Huang	–	–	121,298,860[g]	22.18
Dato' Lim Chee Meng	47,872,000	8.75	–	–
Dato' Low Keng Siong	50,264,610	9.19	–	–

DIRECTORS' SHAREHOLDINGS IN THRIVEN GLOBAL BERHAD

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Datuk Fakhri Yassin bin Mahiaddin	–	–	148,524,802[b]	27.16
Ghazie Yeoh bin Abdullah	23,939,619	4.38	–	–
Dato' Low Keng Siong	50,264,610	9.19	–	–
Lim Kok Beng	100,000	0.02	–	–
Henry Choo Hon Fai	–	–	–	–
Rewi Hamid Bugo	2,349,700	0.43	2,888,400[h]	0.53
Lee Eng Leong	–	–	–	–

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 8 May 2020

Notes:

a Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Teladan Kuasa Sdn. Bhd.

b Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Ketapang Capital Sdn. Bhd.

c Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mulpha International Bhd.

d Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Nautical Investments Limited.

e Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mountbatten Corporation.

f Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of her shareholding in Mount Glory Investments Limited.

g Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his family relationship with Yong Pit Chin.

h Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Santubong Properties Sdn. Bhd. and indirect interest through shareholding by his father in the Company.

(B) ANALYSIS OF WARRANTHOLDINGS as at 8 May 2020

Warrants B 2015/2020	:	248,621,305 Warrants at an exercise price of RM0.48 each
Maturity Date	:	5 October 2020
Right of Warrant Holders	:	The warrant holders are not entitled to vote in any general meeting of the Company and/or to participate in any distribution and/or offer of further securities in the Company unless and until the holder of warrants becomes a shareholder of the Company by exercising his/her warrants into new ordinary shares of the Company.

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	345	15.89	13,268	0.01
100 - 1,000	78	3.59	35,492	0.01
1,001 - 10,000	1,119	51.54	4,935,652	1.99
10,001 - 100,000	498	22.94	17,920,732	7.21
100,001 – 12,431,064 (less than 5% of issued warrants)	128	5.90	70,172,230	28.22
12,431,065 (5% of issued warrants) and above	3	0.14	155,543,931	62.56
TOTAL	2,171	100.00	248,621,305	100.00

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 8 May 2020

THIRTY LARGEST WARRANTHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Teladan Kuasa Sdn. Bhd.	74,262,503	29.87
2.	Mulpha International Bhd.	60,781,428	24.45
3.	Dato' Low Keng Siong	20,500,000	8.25
4.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ghazie Yeoh Bin Abdullah	6,443,433	2.59
5.	Lim Siew Ling	5,277,848	2.12
6.	Yan Xin	5,000,000	2.01
7.	Lim Chee Khang	3,889,789	1.56
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An For OCBC Securities Private Limited (Client A/C-R ES)	3,529,000	1.42
9.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yau Kok Seng (001)	3,038,002	1.22
10.	Mohd Syahmi Izzat Bin Mohd Yusof	1,630,000	0.66
11.	Lee Kee Huat	1,530,000	0.62
12.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sheikh Abdul Rahim Bin Sheikh Mohamad	1,475,200	0.59
13.	Maybank Nominees (Tempatan) Sdn. Bhd. - Low Leong Hock	1,386,000	0.56
14.	Shee Pee Lian	1,290,000	0.52
15.	Yeoh Ah Kim	1,226,728	0.49
16.	Siah Boon Huat	1,100,000	0.44
17.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Lian Huat	1,036,700	0.42
18.	Yang Shiew Woon	1,000,000	0.40
19.	Tiew Chong Lin	858,000	0.35
20.	Teo Swee Lan	738,600	0.30
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Low Wui Li	726,000	0.29
22.	Kam Bee Ah	700,000	0.28
23.	Norliah Binti Said	688,800	0.28
24.	Ong Seng Choo	610,000	0.25

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 8 May 2020

No.	Name of Shareholders	No. of Shares	%
25.	Ayob Bin Mohd Abas	600,000	0.24
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Lai Wei Bin	600,000	0.24
27.	Muhammad Solahuddin Bin Hanafi	537,600	0.22
28.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Chiah Cheang (TCS/HLG)	537,075	0.22
29.	Koh Weng Foo	532,000	0.21
30.	Maybank Nominees (Tempatan) Sdn. Bhd. - Khairul Shamsul Bin Shamsuddin	500,000	0.20

SUBSTANTIAL WARRANTHOLDERS

	Direct		Indirect	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Teladan Kuasa Sdn. Bhd.	74,262,503	29.87	–	–
Ketapang Capital Sdn. Bhd.	–	–	74,262,503[a]	29.87
Datuk Fakhri Yassin bin Mahiaddin	–	–	74,262,503[b]	29.87
Mulpha International Bhd.	60,781,428	24.45	–	–
Nautical Investments Limited	–	–	60,781,428[c]	24.45
Mountbatten Corporation	–	–	60,781,428[d]	24.45
Mount Glory Investments Limited	–	–	60,781,428[e]	24.45
Yong Pit Chin	–	–	60,781,428[f]	24.45
Lee Seng Huang	–	–	60,781,428[g]	24.45
Dato' Low Keng Siong	20,500,000	8.25	–	–

ANALYSIS OF SHAREHOLDINGS
AND WARRANTHOLDINGS (cont'd)
as at 8 May 2020

DIRECTORS' WARRANTHOLDINGS IN THRIVEN GLOBAL BERHAD

	Direct		Indirect	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Datuk Fakhri Yassin bin Mahiaddin	–	–	74,262,503[b]	29.87
Ghazie Yeoh bin Abdullah	6,443,433	2.59	–	–
Dato' Low Keng Siong	20,500,000	8.25	–	–
Lim Kok Beng	–	–	–	–
Henry Choo Hon Fai	–	–	–	–
Rewi Hamid Bugo	410,850	0.17	–	–
Lee Eng Leong	–	–	–	–

Notes:

a Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Teladan Kuasa Sdn. Bhd.

b Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Ketapang Capital Sdn. Bhd.

c Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mulpha International Bhd.

d Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Nautical Investments Limited.

e Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of its shareholding in Mountbatten Corporation.

f Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of her shareholding in Mount Glory Investments Limited.

g Deemed interest pursuant to Section 8 of the Companies Act, 2016 by virtue of his family relationship with Yong Pit Chin.


Impiana Bungalows @ Desa Aman

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